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International Affairs: Thailand To Support Vietnam for APEC

BK2305041996 Bangkok BANGKOK POST in English 23 May 96 p 8

[Report by Saritdet Marukhathat]

[FBIS Transcribed Text] Thailand would support Vietnam's joining the Asia Pacific Economic Cooperation (APEC) forum if Hanoi decides to apply for membership.

While Thailand preferred to deepen ties among current members, it would not hesitate to back Vietnam's application, Kopsak Chutikun, director-general of the Foreign Ministry's economic affairs department said yesterday.

"If Vietnam is ready to join APEC, Thailand, as an ASEAN member, will push for it," he said.

Hanoi has not yet applied for membership but has shown interest in associating more with APEC and other multilateral forums.

Vietnam is the only member of the Association of Southeast Asian Nations which is not in APEC. Brunei, Indonesia, Malaysia, the Philippines and Singapore are ASEAN's other members.

New membership is an issue APEC's current 18 members will discuss when their leaders meet in the Philippines in November, which coincides with the end of a three-year moratorium on new members beginning in 1993.

Russia and Peru are among other countries wanting to join what is the world's biggest economic forum, accounting for almost half the global trade.

Peru has formally submitted its application, Mr Kopsak said.

APEC now groups the United States, Canada, Australia, New Zealand, China, Hong Kong, Taiwan, Japan, South Korea, Chile, Papua New Guinea, Mexico and six ASEAN members.

But geography was not the only criterion for admitting new members, Mr Kopsak said. Their potential for strengthening cooperation within APEC was more important than their being located in Asia or the Pacific.

"Vietnam has to realise that APEC is not as flexible as ASEAN owing to its nature as a larger framework," he said.

Industrialised nations in APEC will open for free trade and investment in 2010 and developing countries will follow suit 10 year later.

Non-members could be observers or join some sectors such as human resource and fisheries before seeking membership, he said.

International Affairs: Agreements on APEC Product Standards

BK2705101496 Manila PNA in English 0940 GMT 24 May 96

[Received via Internet]

[FBIS Transcribed Text] Lapu-Lapu City, May 22 (PNA) — Agreements reached by the Asia-Pacific Economic Cooperation (APEC) Subcommittee on Standards and Conformance (APEC-SCSC) is going to benefit the Philippine industry, workers, and consumers.

This was assured by Director Jesus I. Montoomull of the Department of Trade and Industry's (DTI) Bureau of Products Standards in a press briefing at the Mactan Shangri-La Hotel in Lapu-Lapu City.

The agreements reached covered the areas of alignment with international standards; transparency; mutual recognition arrangements; and technical infrastructure development.

Montoomull, who is also the APEC Subcommittee Chairman on Standards and Conformance, said member economies have also reached a consensus to prioritize three product sectors for alignment with international standards.

The three sectors include the electrical appliances to include air-conditioner, television, and refrigerator; food labeling based on the Codex General Standards for the labeling of pre-packaged foods; rubber gloves; and rubber condoms.

According to Montoomull, all APEC member economies when developing national standards for said products will align their country-standards with relevant international standards like those developed by ISO (International Organization for Standardization) for all non-electrotechnical products and IEC (International Electrotechnical Commission) for electrical and electronic products.

He said for Philippine manufacturers, this will result to greater chances of penetrating international market or expanding existing market niches.

This will also benefit Filipino consumers as they will be reaping the windfall of better quality and more value-added products at very competitive prices, he added.

The Filipino official also said member economies agreed to keep communication among their respective inquiry points open to facilitate the exchange of information on standards, technical regulations and conformity assessment procedures, like product testing and certification.

This, he said, will give APEC members the opportunity to comment on technical specifications (e.g. standards of conformance requirements) being developed thereby avoiding situations where the implementation of such technical specifications could restrict trade among APEC members.

International Affairs: APEC Officials on Open Regionalism

BK2705101796 Manila PNA in English 1559 GMT 24 May 96

[Received via Internet]

[FBIS Transcribed Text] Cebu, May 24 (PNA) — Senior officials of the Asia-Pacific Economic Cooperation (APEC) today said the 18-member organization is not an exclusive club but did not decide to lift the moratorium on new members.

In a press briefing on the third day of APEC's second senior officials meeting (SOM 2) at the Shangri-La Mactan Island Resort, Deputy Chair Antonio Basilio said participants "reaffirmed the principle of open regionalism."

"We need to show the world that APEC is not a closed, exclusive club," Basilio said.

Basilio said there was no decision on the moratorium on admission of new members agreed in 1993. It was, however, agreed for them to discuss the matter with their respective foreign ministers so that when they meet again in Davao in August, they would have their government's position on whether to lift or extend the moratorium.

Basilio stressed that the reason for the moratorium was not to limit the benefits of economic cooperation through free and open trade among the 18 member economies but to give APEC "time to put its act together in clear direction."

He said "it will be distracting to be looking at the membership issue while this process is going on."

Basilio said the APEC secretariat was instructed to prepare a paper on the moratorium on new members and clarification on the guidelines relating to non-member economies on international organizations and other institutions.

He disclosed that APEC has received requests from non-member economies expressing interest to participate in specific events. Vietnam, a member of the Association of Southeast Asian Nations (ASEAN) but not of APEC, wants to participate in a seminar on customs administration.

Senior officials also discussed how to facilitate the approval process. "Instead of deciding whether silence means assent or dissent, the procedure would be for member-economies to respond expeditiously," Basilio said.

At least four economies have expressed desire to participate in APEC non-working groups: Mongolia in Regional Energy Cooperation, Transportation, Tourism, Trade Promotion; Peru on Fisheries and Tourism; Russia in Human Resource Development, Regional Energy Cooperation, Industrial Science and Technology, Trade and Investment Data Review, Fisheries and Marine Resource Conservation; India in Trade Promotion, Industrial Science and Technology, Regional Energy Cooperation.

There is no linkage between participation in APEC working groups and any application for a full membership of APEC.

Established in 1989, APEC is composed of Australia, Brunei Darussalam, Canada, Chile, People's Republic of China, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Philippines, Singapore, Chinese Taipei, Thailand, and the United States of America.

International Affairs: APEC Plans To Liberalize Trade Seen

BK2705043696 Quezon City Radio Filipinas in English 0230 GMT 27 May 96

[FBIS Transcribed Text] APEC vowed to turn itself into more than just an acronym at the close of four days of talks in the Philippines on Sunday after its 18 members submitted draft plans to liberalize trade.

Philippine Foreign Under Secretary Federico Macaranas called the meeting of senior officials of the Asia-Pacific Economic Cooperation in Cebu a success after all 18 members submitted draft plans for trade liberalization.

But the meeting — one of a series of preparatory sessions ahead of November's APEC leaders' summit in the Philippines — steered clear of the thorny issue of whether or not to accept new members by the end of the year. It agreed to make a decision when they meet again in Davao in the southern Philippines in August.

Development among the forum's less-developed members was just as important as the removal of trade and investment barriers in APEC, potentially the world's biggest, most diverse, and wealthiest trade grouping.

The Cebu meeting brought APEC closer to its goals of becoming a regional community after its 18 members submitted draft plans for trade liberalization, despite initial fears that not everyone would be eager to do so.

Organizers had said before the start of the meeting that it only expected 12 members to present their plans. Specifics of the plans were not released, but APEC's liberalization agenda covers 15 areas—including tariff, services, intellectual property rights, deregulation, and investment.

APEC has agreed to liberalize trade and investment by the year 2010 for developed members and 2020 for newly industrialized members.

APEC's philosophy of development cooperation promotes sustainable growth, equitable development, and national stability among members.

Japan

Japan: Okinawa Election Said To Affect Ota's Posture on Bases

OW2905112296 Tokyo KYODO in English
1040 GMT 29 May 96

[FBIS Transcribed Text] Naha, May 29 KYODO — The election for the Okinawa prefectural assembly, with voting slated for June 9, is expected to affect Gov. Masahide Ota's posture on the issue of U.S. bases in the prefecture.

About 80 candidates will start campaigning Friday [31 May] when the election for the 50-seat assembly is officially announced.

A major point of interest is expected be how the parties try to capitalize on the dispute between Ota and the central government over the forced rental of land in Okinawa for U.S. military facilities.

While most of the parties are calling for a reduction in the U.S. bases in the prefecture, they differ in their stance toward the U.S.-Japan security treaty.

The parties are also split over the prefectural government's plan to build what it terms "international friendship cities" on the sites of the bases after realizing a full return of the land by 2015.

Conservative parties that form the assembly's opposition camp, such as the Liberal Democratic Party (LDP) and Shinshinto (New Frontier Party), control 25 seats, while the ruling camp comprising the Social Democratic Party, the Japanese Communist Party and other leftist groups have 21, with two seats being vacant.

The parties which support Ota view the bases matter as the main issue in the election campaign and believe it will work to their candidates' advantage.

They are seeking to climb on Ota's bandwagon amid continued resentment among local residents against the U.S. facilities.

The opposition parties, however, are in a quandary.

"When we try to make clear the difference with the ruling camp, we would be perceived as trying to put a drag on the governor's efforts," said an LDP member of the assembly.

"The base issue is a hot potato," the conservative politician said.

Rancor among Okinawa residents against the U.S. bases increased last year after the rape of a Japanese schoolgirl by three U.S. servicemen.

Ota subsequently refused to cooperate with the central government over extending the forced land rental contracts for U.S. forces.

Although the island of Okinawa accounts for only about 0.6 percent of Japan's total land area, some 75 percent of all the land in Japan reserved for U.S. military use is located there.

Japan: Washington, Tokyo To Uphold Logistic Role in Defense

OW2905075496 Tokyo KYODO in English
0532 GMT 29 May 96

[FBIS Transcribed Text] Honolulu, May 28 KYODO — Japan and the United States agreed Tuesday [28 May] not to alter Japan's role of logistic support in bilateral defense cooperation under the current guidelines on such cooperation, Japanese officials said.

The agreement came at a meeting of senior defense officials from the two countries, convened to review the 1978 guidelines on Japan-U.S. defense cooperation as agreed upon by Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton at their summit in Tokyo in April, they said.

The two countries also agreed to give priority, when reviewing the guidelines, to intensive debate on the nature of bilateral cooperation at times of emergency in the far east, they said.

They also reaffirmed their commitment to setting up a director-level subpanel in late June to review the guidelines. They intend at that time to summarize what should be reviewed, and will present an interim report to a cabinet-level committee on security cooperation to be held in the United States in late September, they said.

The two sides shared the view that the review could take one or two years as it might examine long-standing taboos in Japan relating to military action that does not directly involve Japan's defense, the officials said.

At stake is Japan's collective self-defense right. The Japanese government has upheld the view that, although Japan has the right, the exercise of the right would run counter to the pacifist constitution, which bans the use of force to settle international conflicts.

Hashimoto and Clinton issued a joint declaration last April reaffirming their commitment to the 1960 bilateral security treaty. This requires that the U.S. maintain 100,000 troops in the Far East, while Japan is urged to study ways to increase support for the deployment.

The current guidelines only touch on how the U.S. could help Japan if it were attacked but do not deal with how

Japan might help the U.S. in an emergency, other than by providing bases.

Japan: SDP Reported in Dilemma Over Okinawa Base Issues

OW2805124296 Tokyo ASAHI SHIMBUN in Japanese 27 May 96 Morning Edition p 2

[FBIS Translated Text] Public attention is focused on how the Social Democratic Party [SDP] intends to handle problems related to U.S. military bases on Okinawa. This is because Prime Minister Ryutaro Hashimoto holds great expectations from the SDP — which has had strong ties with Okinawa ever since the days the party called itself the Social Democratic Party of Japan — to act as a mediator to go between the central government and the Okinawa Prefectural Government in such difficult issues as the construction of a new heliport in exchange for the complete return of the U.S. Marine Corps Air Station [MCAS] Futenma and the compulsory use of land for military purposes. The SDP also considers this a good opportunity to display its raison d'etre within the ruling coalition alliance. However, if the SDP, which has traditionally spoken out in behalf of Okinawa in antimilitary base movements and other causes, decides to play the role of a "lobbyist" for the central government, the party is likely to frequently find itself in an awkward position, sandwiched between the central and prefectural governments.

Kanju Sato, secretary general of the SDP, flew to Okinawa to throw his support behind party members running in the Okinawa Prefectural Assembly election which will officially begin on 31 May. In a meeting on 24 May with Okinawa Vice Governor Masanori Yoshimoto and other local officials, Sato said: "The party, for its part, bears the responsibility to seriously tackle Okinawa's problems, our senior members have been involved in this." He indicated the intention to voice opposition to the central government's attempt to draft special legislation to speed up land expropriation procedures and to give due consideration to the prefectural government's position on such issues as the construction of a new heliport in exchange for the complete return of MCAS Futenma.

The SDP is the ruling party in the Okinawa Prefectural Assembly, but the Okinawa chapter of the Liberal Democratic Party [LDP] is an opposition party. The central government and the LDP hold expectations that the SDP, which has strong ties to Okinawa Governor Masahide Ota, will play an active role in helping resolve Okinawa's base problems.

The SDP has already dispatched a senior party member who is an expert on Okinawa's base problems to seek a plausible point of compromise, while giving due consideration to the intentions of the prefectural government. Since the alliance among the ruling coalition partners is beginning to crack at the seams, some SDP officials feel that Okinawa's base problems "will be a good opportunity for the SDP to contribute in an area where the LDP is weak and display its unique stance [as a political party]" (according to a senior SDP official).

Among Okinawa government officials, the prevaling sentiment is that following the transition from the administration of former Prime Minister Tomiichi Murayama to the Hashimoto administration, "it has become difficult to convey Okinawa's wishes [to the central government]" (according to a source close to the prefectural government). Governor Ota and the SDP Okinawa Chapter are asking that the SDP fulfill its role within the Hashimoto administration, giving due consideration to the "Okinawan people's position."

However, it is uncertain whether the SDP will now be able to take concrete steps to prevent the drafting of special legislation for facilitating land expropriation procedures. Some officials at the Prime Minister's Official Residence and the LDP are watching to see whether the SDP can successfully convince the Okinawa Prefectural Government. Some SDP officials are facing the dilemma that "if the party sides with Okinawa in trying to settle the problems, such an action would be inconsistent with the policy of the Hashimoto administration" (according to a senior SDP official).

Japan: Article on Contingency Cooperation Studies

OW2805060296 Tokyo AERA in Japanese 27 May 96 pp 24-25

[Article by AERA staff writer Shunji Taoka: "Do Not Be Dazzled by Illusory 'Contingencies in Far East'"]

[FBIS Translated Text] This is the fourth time that a debate has been conducted on Japan's assistance to the U.S. Forces in the event of "contingencies in the Far East," which in general means the outbreak of another war in Korea.

The first time the matter was discussed was in November 1978 at the Japan-U.S. Security Consultation Committee, which agreed on a "guideline for Japan-U.S. defense cooperation" on conducting studies and holding discussions concerning Japan's assistance. The guideline, which was later approved by the National Defense Council and the Cabinet, agreed to cover the following three areas in the studies:

1) Problems arising when Japan comes under attack or is in danger of coming under attack;

2) Problems arising from contingencies in Far East areas other than Japan which could have a major impact on Japan's security;

3) Conduct of joint exercises and training.

Subsequently, the Defense Agency was put in charge of the part of the Japan-U.S. joint studies with respect to contingencies directly involving Japan as in 1) above, and studies started with military personnel of the headquarters of U.S. Forces Japan [USFJ] and the secretariat of the Japanese Joint Staff Council taking part. Their studies were almost complete by the summer of 1981, but then a project on "the defense of sea lanes" was added to it to study the cooperative system for the Maritime Self-Defense Forces [SDF] and the U.S. Navy in the 1,000-mile sea perimeter of Japan. In January 1984, the studies were concluded with a "draft Japan-U.S. joint operation plan" issued.

MOFA Fails To Do its Part

In the part of studies on problems relating to contingencies in Far East areas referred to in 2) above, the Ministry of Foreign Affairs [MOFA] was put in charge, but there was some delay in start-up, and the work did not start until January 1982, but even that stopped soon. In planning what Japan should do in the event the USFJ decides to fight on the Korean peninsula, MOFA needed input from other ministries — for instance, from the Ministry of Transport, with regard to allowing U.S. military aircraft to use commercial airports, and enabling U.S. troops to use Japanese port facilities to unload their cargoes from their vessels, and to transport them by trains and trucks to military bases. But MOFA could not carry out that function of coordinating with other ministries.

These subjects were politically too sensitive even to talk about, and the other ministries did not want to get involved. Besides, if priority were to be given to the USFJ in using airports and sea ports, that meant creating problems in the operation of firms which were under the control of these ministries. It should be considered only natural that the bureaucrats of the ministries should have acted that way and wanted to get away from the root of the troubles. At the request of MOFA, a meeting of ministry-director level officials was held once or twice, but then nothing more happened for a while.

After a summit meeting between then Prime Minister Morihiro Hosokawa and President Bill Clinton in February 1994, however, the studies on actions to take in the event of contingencies on the Korean peninsula suddenly resumed, and proceeded in earnest. The DPRK's (North Korea) suspected nuclear arms program had turned into a subject of dispute around 1990, and North Korea announced in March 1994 it was leaving the International Atomic Energy Agency (IAEA). Then the United States in the UN Security Council proposed imposing economic sanctions on North Korea, and this situation led to heightening of tensions on the Korean peninsula. It was around those days when a North Korean delegate to Panmunjom declared: "If a war comes, Seoul will turn into a sea of fire."

The Japanese Government thought North Korea might launch an attack on the South if the United Nations decided on economic sanctions on North Korea, and conducted studies seriously on what Japan should do, what it can do under current laws, what new laws it needs, and so forth. A staff official of the prime minister's Secretariat, commenting on the studies at that time, said they were of the biggest "scale since World War II concerning international crisis."

Then, in June 1994, former President Carter went to Pyongyang and met with President Kim Il-song. Shortly thereafter the United States and North Korea agreed to resume their talks, and the crisis situation ceased. Consequently, the studies on the contingencies on the Korean peninsula were dropped.

Food Shortage Approaching Unbearable State

Around 1978 or 1982 [when the two parts of the studies started], North Korea continued to receive military and economic assistance from the Soviet Union and China, while the ROK armed forces were still armed with old weapons and their combat capabilities lagged in quality. As such, an invasion of the South by the North on some pretext in an attempt to reunify the country by force was considered possible.

South Korea normalized relations with the Soviet Union in 1990, and China in 1992. North Korea started to become further isolated and was having difficulty in procuring even such key materials as fuel, foodstuffs and aircraft parts, and thus was rapidly losing its war capabilities. By 1994, when suspicion of its nuclear scheme was raised, the North still had aircraft making training flights and there was the possibility of a final thrust on the South. But right now, there is almost no flight training conducted by its Air Force, and no large-scale exercises held by the Army.

North Korea now also has a serious food shortage problem which is reaching unbearable limits. Acting U.S. Assistant Secretary of State Kurt Campbell told Japanese Diet members who visited Washington in late April: "North Korea is having a hard time maintaining its government. It might not last more than six or seven months." Joseph Nye, former U.S. assistant secretary of defense, in February had said: "(If North Korea invades

South Korea,) the combined forces of the United States and the ROK will destroy the North Korean forces promptly and thoroughly."

U.S., ROK Air Forces Have Control of the Air

The ROK Defense Ministry in March 1994 revealed at a National Assembly session its "Operation Plan No. 5027 for Unification by Absorption," according to which, if the South comes under attack from North Korean forces, its armed forces will immediately start a counteroffensive, take Pyongyang, and advance up to the Chongchon River which is about 80 km north of the South-North border. In the event of a war, there is no doubt the U.S. and ROK air forces will have control of the air. Thus it is highly likely that this operation plan will succeed as long as there is no extraordinary public panic arising from infiltration by the North's special forces or from attacks on Seoul by Scud missiles.

Resuming studies on ways of assisting the U.S. forces in the event of "contingencies in the Far East" which the government stopped in the 1970's or the 1980's is very much like looking for Christmas trees on 26 December. But many people in MOFA claim: "That is no reason why we cannot resume the studies now. The primary obstacle to the studies in the past has been the resistance of the Social Democratic Party. Now, finally we have the conditions to resume."

This is also like buying a warm overcoat which one had wanted in winter but could not afford, after the winter has passed — in spring, at a bargain sale.

Staged Crisis on the Peninsula

In Japan, there are many people who think there exist "tensions on the Korean peninsula."

They think that way because North Korea in April announced it was "abandoning its obligations under the armistice agreement," and then sent in a small Army unit with several mortars near the armistice conference area in Panmunjom.

Such North Korean actions were witnessed only in Panmunjom where foreign tourists and news media could watch, and never in other areas of the front line. The defense intelligence officials of the United States, the ROK, and Japan agreed in their view that these actions were North Korea's gesture urging the United States to conclude a peace treaty with it.

"The crisis of the Korean peninsula" indeed was not a real crisis, but was only an "illusory crisis" staged by North Korea. Fukuoka Airport still has U.S. forces facilities inside it. This airport was returned to the Transport Ministry's control on the condition that these facilities be made available to the U.S. forces should a need for them arise. If the "studies on the contingencies in the Far East" proceed, the specific question of how the USFJ fighter planes should be deployed on such commercial airports as Fukuoka's will need to be dealt with. There will also arise the question of how patients in state-run hospitals should be removed to other hospitals, and how wounded U.S. servicemen should be accommodated there instead. Fukuoka Airport is a major airport being used by some 40,000 people daily. If a question is raised with regard to its use now when there is nothing really happening, commercial airlines and local people are bound to rise up in an uproar.

The international situation is now improving, and this means the need for studies on such matters is diminishing. It is very likely that these studies will be brought to a halt once again, or will end up recommending some actions which do not make much difference.

Japan: Ikeda Hints ACSA Applicable to Wartime Joint Drills

OW2805133496 Tokyo KYODO in English 1317 GMT 28 May 96

[FBIS Transcribed Text] Tokyo, May 28 KYODO — Foreign Minister Yukihiko Ikeda hinted Tuesday [28 May] that the Japan-U.S. pact on mutual supply of military goods and services may be applicable to joint military exercises in the event of emergencies in the Far East.

Ikeda aired the view at a plenary session of the House of Representatives, defining "emergencies" stipulated in the bilateral agreement, known as the acquisition and cross-servicing agreement (ACSA), only as combat actions.

The pact, signed in April, is limited to peacetime joint exercises, U.N. peacekeeping operation and international humanitarian relief activities, and does not refer to emergency situations.

The United States has signed similar agreements with 19 other countries and two organizations, but most cover mutual supply of goods and services in times of contingencies.

The Japan-U.S. pact is also not to be applied to U.S. military drills, because that could run counter to Japan's constitutional ban on the implementation of the right to collective defense.

Ikeda also said Tokyo wants to discuss with Washington the ACSA's scope as part of its efforts to enhance bilateral security cooperation.

Japan: 'Official' on Start of Insurance Talks With U.S.

OW2905034496 Tokyo KYODO in English 0314 GMT 29 May 96

[FBIS Transcribed Text] Washington, May 28 KYODO — Japan and the United States remain apart on two major issues involving the so-called "third-sector" market in their ongoing insurance talks, a Japanese official said Tuesday [28 May].

The two thorniest issues are whether to allow subsidiaries of major Japanese life and nonlife insurers access to accident insurance, and the recent U.S. proposal for a one-year monitoring period on Japan's proposals for deregulating the two primary life and nonlife insurance markets, the official said.

The official spoke to reporters on condition of anonymity after the first round Tuesday of two days of negotiations here ahead of the Saturday deadline to resolve the dispute over implementation of a 1994 bilateral insurance agreement.

The official said the first day was devoted to clarifying Japanese proposals for deregulation, and the two sides are to discuss the two thorniest issues Wednesday.

The talks involve Haruhiko Kuroda, deputy director general of the Japanese Finance Ministry's International Finance Bureau, and Deputy Assistant U.S. Trade Representative (USTR) James Southwick, the official said.

"Personally, I'm neither optimistic nor pessimistic," the official said, noting the Saturday deadline remains in effect.

But Japanese Ambassador to the U.S. Kunihiko Saito told reporters Tuesday, "June 1 is an agreed deadline decided between both negotiators, but there is no reason for stopping further negotiations if a resolution is not made by then."

The official said the two nations will consider future steps depending on the outcome of the current talks, but noted that Japan is prepared to reopen higher-level talks if necessary.

A meeting in Paris is "one of such plans," the official said, referring to a session between Eisuke Sakakibara, director general of the Japanese Ministry's International Finance Bureau, and Ira Shapiro, USTR senior counsel and negotiator.

In the insurance dispute, the two nations have been at odds over the scope of third-sector products to be handled by major Japanese life and nonlife insurance companies through subsidiaries they are allowed to establish to enter each other's turf under a new insurance law that went into effect April 1.

Under the 1994 accord, Japan is to take such measures in the third sector as banning the subsidiaries from introducing "new or expanded" products to avoid "any radical change" for a "reasonable period" after the two primary life and nonlife insurance sectors are liberalized.

The third sector covers sickness, accident, nursing and other products that are in a gray zone between primary life and nonlife insurance benefits.

Foreign insurers virtually dominate the third sector in Japan, with major Japanese life and nonlife insurers not allowed to enter the most lucrative portions of the market, such as insurance for cancer and many other diseases.

The official said Japan will reject the U.S.-proposed monitoring period, describing it as a "blank check" giving the U.S. unlimited authority to determine when to end the special measures.

"The U.S. side has not mentioned any kind of numerical targets, but the proposal is far worse than numerical targets," the official said, expressing concern that it might lead Washington to limit entry forever.

With the proposed monitoring, U.S. officials have said that Washington wants to ensure that Japan proceeds with its commitments to deregulate the primary life and nonlife sectors.

The Japanese official said Japan will announce its commitments once an agreement is reached, and this should serve as a public pledge to ensure Tokyo's commitments.

As for new and expanded products in the third sector, the Japanese official said accident insurance is not subject to special measures because major nonlife insurers already offer such insurance.

But the U.S. is insisting that accident insurance falls under the category for special measures when the subsidiaries are planned to be established later this year.

Otherwise, the two nations have already agreed on most other third-sector products, such as banning the subsidiaries from offering insurance on cancer and other diseases, and allowing them to sell nursing-care insurance, the official said.

Japan: No New Action Planned in Trade Dispute With U.S.

OW2805055296 Hong Kong AFP in English 0514 GMT 28 May 96

[FBIS Transcribed Text] Tokyo, May 28 (AFP) — Japan is planning no new action to settle trade disputes with the United States in the microchip and photo film areas, Minister of International Trade and Industry Shunpei Tsukahara said Tuesday [28 May].

The minister said after a regular cabinet meeting that the Japanese government was not planning further measures before the excising microchip accord with the United States expires at the end of July.

Tsukahara reiterated that Tokyo was not ready to hold government-level discussions. "As for microchips, we continue to hope there will be more talks in the private sector," he told reporters.

Tokyo has been refusing Washington's demand for an extension, arguing the accord's goal of securing a foreign share of at least 20 percent on the JapanesE market has already been achieved.

"As far as the film dispute is concerned, we will not make any comments, and if necessary the Fair Trade Commission can step in," Tsukahara said.

Japan: 'Network Computers' To Develop Following U.S. Agreement

OW2905024896 Tokyo KYODO in English 0125 GMT 29 May 96

[FBIS Transcribed Text] Tokyo, May 29 KYODO — Oracle Corp. Japan and several other high-tech companies will soon embark on development of Japanese-language versions of low-cost computers that can access communications networks, company officials said Wednesday [29 May].

In addition to Oracle, the development program will be joined by JustSystem Corp., a leading Japanese computer software developer known for its Ichitaro software, and Japanese units of International Business Machines Corp., Sun Microsystems Inc. and Apple Computer Inc., all of the United States, they said.

The move by these companies follows the announcement in the U.S. on May 20 that they have agreed on guidelines and technical details for production of so-called network computers.

These machines will be less powerful than personal computers but capable of handling e-mail and accessing the internet global computer communications network. The computers will be priced at about 500 dollars.

The officials said they will study what form a standard model for such computers should take, starting early next month, aiming to present standard specifications in August.

Consequently, both the U.S. and Japanese standard models of the network computers will be unveiled almost simultaneously.

Japan: Dialogue With DPRK Deadlocked by Cancellation of Visit

OW2805143896 Tokyo ASAHI SHIMBUN in Japanese 28 May 96 Morning Edition p 2

[FBIS Translated Text] Interparty dialogue with the DPRK (North Korea) has now been deadlocked by the 27 May cancellation of a visit by a Korean Workers Party [KWP] delegation, which was supposed to visit Tokyo at the invitation by the Social Democratic Party [SDP]. The KWP seemingly judged that not much fruit would be available from the Tokyo visit hosted by the SDP, as the Liberal Democratic Party [LDP] is now taking a prudent stance toward contacts with the North Koreans out of consideration for relations with the ROK. It appears North Korea is still ambitious about government-level negotiations for future resumption of the bilateral normalization talks; however, the Japanese Foreign Ministry intends to watch North Korea's formal response to the "quadrilateral talks" proposed by the United States and the ROK. Japan-North Korea relations are unlikely to make further progress for the time being.

In a fax sent to the SDP Headquarters on 27 May, KWP Secretary Kim Yong-sun noted the cancellation of the visit was because "there is no consensus among the three ruling parties (on the reception of the KWP delegation)."

In March 1995, the KWP and the three coalition parties — the LDP, the SDP, and Sakigake — signed the "memorandum for resuming Japan-North Korea negotiations." Following the event, the tripartite coalition unitedly provided rice aid to North Korea under the initiative of LDP Secretary General Koichi Kato. This time, the SDP noted that North Korea again requested meetings with all coalition parties to discuss additional rice aid.

However, the LDP showed a prudent stance toward participation in the SDP-KWP dialogue because the prime minister and the Foreign Ministry want to "attach importance to the tie-up with the ROK" and Japan's 1995 rice aid to North Korea triggered criticism from the ROK. LDP Policy Research Council Chairman Taku Yamasaki recently said: "Japan-North Korea negotiations should be carried out at the government level, and progress in the U.S.-proposed quadrilateral talks and the

North-South talks should be prerequisites for the resumption of Japan-North Korea negotiations."

As a result, the SDP missed the chance to "encourage North Korea to accept the quadrilateral talks as a friend" (as noted by SDP Policy Board Chairman Shigeru Ito), although it intended to utilize its long-time friendship with the KWP to restore its position as a political key player.

Apart from the interparty dialogue, North Korea is showing positive attitudes toward the resumption of government-level normalization negotiations, saying "the subject should be discussed between the foreign ministries of the two nations" (as noted by First Vice Foreign Minister Kang Sok-chu).

The KWP and the North Korean Government are reportedly competing with each other for leadership in negotiations with Japan. Taking this into account, the Japanese Foreign Ministry is showing caution toward the promotion of dialogue with North Korea. A Foreign Ministry official noted "We really do not understand why North Korea is trying to approach Japan without clarifying its stance toward the quadrilateral talks."

Japan: Saudi Foreign Minister Stresses Desire for Increased Ties

LD2805193796 Riyadh SPA in Arabic
1546 GMT 28 May 96

[FBIS Translated Text] Tokyo, 28 May 1995 — His Royal Highness Minister of Foreign Affairs Prince Sa'ud al-Faysal has said that his visit to Japan was to convey two messages from King Fahd Bin-'Abd-al-'Aziz to His Majesty Emperor Akihito and Japanese Prime Minister Ryutaro Hashimoto.

In a statement to Saudi television and the Saudi news agency, SPA, his highness said the two messages expressed the continuous appreciation and cooperation that exists between the two countries and the desire of the leadership of the Kingdom of Saudi Arabia to develop continuous cooperation between the two countries.

His highness added: "Within this context, I shall, God willing, be able to conduct contacts with his highness the minister of foreign affairs and a number of other officials in Japan in order to study this issue and the possibility of developing continuous cooperation, whether in the trade and economic or political sectors."

His highness affirmed that Japan was Saudi Arabia's most important trade partner. He said: "Therefore, it is vital that this relationship should be developed from a purely trade one toward increasing investment and cooperation in all other aspects of interest to the two countries and of benefit to the Saudi and Japanese peoples." His highness added that the opportunity would also be available to discuss political issues, whether on the Middle East or international issues of interest to East Asia and to Japan in particular.

His highness concluded his statement by saying: "We are looking forward to conducting a series of fruitful consultations and contacts, God willing, to give the cooperation process an impetus, on the one hand, and to continue discussing international issues, on the other."

Japan: Saudi Arabia Seeks Greater Aid for Middle East

OW2805123696 Tokyo KYODO in English
1212 GMT 28 May 96

[FBIS Transcribed Text] Tokyo, May 28 KYODO — Saudi Arabia's Foreign Minister Prince Sa'ud al-Faysal on Tuesday [28 May] voiced hope that Japan and other industrial nations will boost their economic assistance to countries in the Middle East region.

Al-Faysal, who arrived in Japan earlier in the day for a three-day visit, made the pitch in a 90-minute meeting with Japanese Foreign Minister Yukihiko Ikeda, a Foreign Ministry official said.

The prince also said Riyadh wants Tokyo to urge an increase in Middle East aid at this year's summit of the Group of Seven major economic powers in Lyons on June 27-29, the official said.

Ikeda reiterated the importance of stability in the livelihood of the people in the Middle East as a means of helping achieve a durable peace in the region.

Al-Faysal, who became foreign minister in 1975, praised Japan for its increasing political role in the international community in recent years, citing Japan's contribution to ending the Persian Gulf war and support for the ongoing Middle East peace process.

Ikeda thanked the prince for Saudi Arabia's previously expressed support for Japan's attempt to gain entry to the U.N. Security Council as a permanent member, the official said.

He also sought the continued stable supply of crude oil from Saudi Arabia to Japan, saying Japan's dependency on Middle East oil will not change.

Ikeda also reiterated Tokyo's support for Riyadh's entry to the World Trade Organization but pressed Saudi Arabia to try to meet the requirements for joining the global trade watchdog, which replaced the General Agreement on Tariffs and Trade in January 1995.

The visit is the first ever to Japan by a Saudi Arabian foreign minister. The prince, who made an official visit to Japan in 1972, will have an audience with Emperor Akihito on Wednesday.

Japan: Ministry To Expand Agriculture Support Program in Asia

OW2805023896 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 May 96 Morning Edition p 3

[FBIS Translated Text] The Ministry of Agriculture, Forestry and Fisheries [MAFF] will expand Japan's farming support program to China and other Asian countries. In addition to technology transfer to boost the agricultural production and improve the food processing, the MAFF will provide its know-how in various fields, such as how to build an effective farm product distribution system.

The decision was made because calls from China and Asian countries intensified. With its support, the MAFF at the same time intends to put the brake on food imports that are increasing among Asian countries so that the international food supply can be stabilized for a longer period.

Ichizo Ohara, agriculture, forestry and fisheries minister, expressed concern over the Asian food situation at a news conference held early this month. "The increase in food imports in Asia will lead to a long-term food shortage in the international community." He then emphasized: "We must enhance our agricultural support to Asian countries. It is necessary to place priority on software over hardware [as published] such as the construction of a dam."

The MAFF's plan is to expand Japan's farming support program to Asia mainly through the Overseas Development Assistance (ODA) funds. Specifically, "the MAFF intends to actively provide cooperation in developing agriculture and farming villages in China's inland areas," (stated by the Economic Affairs Bureau). Not only did China become the world's largest grain import nation after Japan in 1995, but also its imports during the 1996 January-February period doubled compared to last year. This has contributed to the price surge in the international grain market. The MAFF considers that long-term support should be provided to increase agricultural production in China's inland areas where farming productivity is said to be low.

Specific measures include dispatching Japanese farming experts, inviting researchers from Southeast Asia for training, providing necessary equipment, and jointly developing farming technologies with these countries. The MAFF also considers cooperation in building up an effective agricultural distribution system and introducing a new inventory management system with the cold-storage equipment.

Besides China, the MAFF's support-enhancement decision includes Southeast Asian countries such as Thailand, Malaysia, and Indonesia. Helping educate farming experts in Southeast Asia, the MAFF will promote so-called "south-south cooperation" — Southeast Asian countries helping other developing nations.

Japan provides the world's largest ODA funds in the farming area. Its $1.584 billion aid (in 1992) is five times more than that of the United States. However, since most of the aid was sent as donations or spent on the construction of various facilities, Asian countries have been asking for more support from Japan as a form of technological cooperation.

Japan: Foreign Minister Speaks on South African Development

OW2805002896 (Internet) Japanese Ministry of Foreign Affairs WWW in English 1 May 96

[Speech by Foreign Minister Yukihiko Ikeda at the luncheon in honor of the Ministers of the Southern African Development Community, SADC, on 1 May 1996 at Sandton City]

[FBIS Transcribed Text] (Translation) Honourable M.S. Merafhe, Chairman of SADC Council of Foreign Ministers, Distinguished Ministers,

It is indeed a great pleasure and honor for me to hold this luncheon and to have an opportunity to exchange views with Your Excellencies, the distinguished ministers of the Southern African Development Community on the occasion of the 9th session of the United Nations Conference on Trade and Development (UNCTAD IX), which is held for the first time in southern Africa. Blessed with rich natural resources, fertile soil and relatively well-developed infrastructure, the southern African region, I believe, has the biggest potential for economic development in Africa. I, therefore, expect that the SADC, as a model of regional cooperation in Africa, will play an increasingly important role for stability and economic development of the region.

From this point of view, the Government of Japan has been increasing its assistance to the southern African region in recent years. While the share of the southern African region accounted for 20 percent of Japan's total ODA to Africa in 1990, it was increased to 35 percent in 1994. Since last year, Japan started to make a financial contribution to the Southern African Center for Cooperation in Agricultural Research. Since last month, a Japanese expert has been working at the

SADC secretariat to help them increase their capacity to coordinate overseas assistance.

As you may remember, the Tokyo International Conference on African Development (TICAD) was held in October 1993. The conference was concluded with a great success and highly evaluated by African countries.

Three years have passed since then. During this period, we witnessed steady progress in both political stability and economic development in southern African countries. We are pleased to find that a new trend toward Asia-Africa cooperation is gaining momentum. Amid such a circumstance, the International Conference on Southern Africa and Eastern Asia was held in Botswana this year to share the experiences of Asia with southern African people for their development.

With a view to accelerating this momentum and contributing to the development of Africa, I made a proposal in my statement at the ninth session of the UNCTAD yesterday that Japan would like to host the Second Meeting of the Tokyo International Conference on African Development (TICAD II) in Tokyo around 1998.

In the statement, I also mentioned that Japan is ready to further contribute to the human resources development in Africa toward the TICAD II.

Firstly, Japan endorses a target of the international community that all the children in the African countries should receive primary education by 2015 at the latest. We plan to contribute about 100 million US dollars in the next three years for education in Africa, mainly for enhancement of the primary education.

Secondly, we would like to accept about 3,000 African technical trainees to Japan in the next three years.

Thirdly, we plan to earmark 2 million US dollars from the Human Resources Development Fund which was created in the UNDP [United Nations Development Program] with the contribution of Japan, for promotion of the South-South cooperation including Asia-Africa cooperation. Moreover, we would like to contribute to the health of the people in Africa. Following the WHO's National Immunization Day program, Japan intends to make active contribution so that polio will be eradicated by the year 2000 in Africa.

We would also like to expand our contribution to the solution of conflicts and the establishment of peace in Africa. Japan took part in the United Nations peacekeeping operations in Mozambique and sent a large number of personnel to give a humanitarian assistance to Rwandan refugees. We held the High Level Symposium on Peace and Development in Tokyo last year to discuss the problems of conflicts in Africa. This year, we plan to make a financial contribution to the Peace Fund of the OAU to support its mechanism for conflict prevention, management and resolution.

As a nation with the ability and the will to take a global responsibility in maintaining world peace and stability, Japan aspires to play a more active role in the United Nations, even before the conclusion of the Security Council reform. Japan has announced its candidacy for non-permanent membership of the Security Council whose election will be held this fall. On this occasion, I would like to ask your understanding and support for Japan's candidacy.

Now, I would like to raise a toast to the further development and prosperity of the southern African countries. Thank you very much for your attention.

Japan: Poll Shows Hashimoto Cabinet's Support Rate Rises

OW2905082796 Tokyo KYODO in English
0810 GMT 29 May 96

[FBIS Transcribed Text] Tokyo, May 29 KYODO — The support rate for the cabinet of Prime Minister Ryutaro Hashimoto has increased 9.3 percentage points to 52.7 percent over the past two months, a KYODO news opinion poll showed Wednesday [29 May].

The disapproval rate for the cabinet declined to 37.0 percent from 45.9 percent in March, the poll said.

Political analysts attribute the increase in the support rate to an agreement with the United States in April on reducing the amount of land occupied by U.S. military bases in Okinawa prefecture, with the return of a key airfield within five to seven years as its centerpiece.

KYODO selected 3,000 people aged 20 and older at random nationwide and conducted interviews with 1,995 people Saturday and Sunday.

Of those who supported the cabinet, 20.5 percent, up from 16.8 percent in the previous poll in March, said they trust Hashimoto.

The survey showed 16.3 percent, an increase of 5.5 percentage points, supported the cabinet because Hashimoto is from the Liberal Democratic Party (LDP). He took office in early January as the first prime minister from the LDP in two and a half years.

But 31.4 percent, a drop of 7.1 percentage points, said there is no appropriate person other than Hashimoto.

Of those who did not support the cabinet, 16.2 percent said they could not expect political reform from the cabinet and 15 percent said they could not count on its economic policy.

Meanwhile, the support rate for the LDP, the largest force in the tripartite ruling coalition, increased from 30.8 percent in March to 36.9 percent.

Support for the LDP's main coalition partner, the Social Democratic Party (SDP), dropped to a record low .7 percent from 5.0 percent in March and that for New Party Sakigake, the smallest component of the coalition, also declined to 2.4 percent from 3.4 percent.

The support rate for the main opposition party Shinshinto (New Frontier Party), plunged from 16.7 percent to 11.1 percent — the lowest since the party was founded in December 1994.

Some analysts said many voters have been critical of the SDP for losing originality in the coalition and of Shishinto for picketing in the Diet earlier this year in opposition to a government-proposed plan for the liquidation of seven failed housing loan companies.

The poll showed that 35.8 percent, up from 33.7 percent, said they do not support any party.

Japan: Cabinet Approves Study To Move Capital Away From Tokyo

OW2805061896 Tokyo KYODO in English 0506 GMT 28 May 96

[FBIS Transcribed Text] Tokyo, May 28 KYODO — Prime Minister Ryutaro Hashimoto's cabinet Tuesday [28 May] approved a report on the Tokyo metropolitan area, which recommends moving the Japanese capital away from Tokyo to reduce overcrowding.

According to the white paper submitted to the cabinet by Kazumi Suzuki, director general of the National Land Agency, moving the capital from Tokyo is the pivotal measure needed to improve socioeconomic conditions in the region and it calls for the adoption of a reform project to address the issue.

Referring to conditions in Tokyo and neighboring Saitama, Chiba and Kanagawa prefectures, the report said the government has taken dispersion measures such as moving universities and factories to different locales, and these measures have registered some progress.

Though the number of households in the metropolitan area has declined, visible signs of overcrowding including traffic jams indicate the problem is still a grave concern, the report said.

The report recommends finding measures to manage issues such as the aging population and making prices more in line with world market prices in order to prevent a worsening of socioeconomic conditions.

The report said the population in Tokyo and seven neighboring prefecture as of Oct. 1 1995 totaled 40.4 million, up 0.6 percent from its year-earlier level and higher than the national average of 0.4 percent for the same period.

The Construction Ministry noted that 11.6 percent of Tokyo area families live in a residence of 50 square meters or less as compared with the national average of 7.8 percent. The 50-square-meter minimum housing standard was set by the ministry in its five-year plan.

Japan, EU To Study Partnership for Aircraft Development

OW2905124596 Tokyo KYODO in English 1225 GMT 29 May 96

[FBIS Transcribed Text] Tokyo, May 29 KYODO — Japan and the European Union agreed Wednesday [29 May] to study the possibility of joining forces in aircraft development, an official of the Ministry of International Trade and Industry (MITI) said.

Among airplanes covered by the possible bilateral partnership will be a 600-seater passenger plane, a smaller model with around 100 seats, and a supersonic passenger aircraft, the official said.

The subject was raised in a regular round of bilateral talks for industrial cooperation.

The meeting was attended by Yoshihiro Sakamoto, MITI vice minister for international affairs, who exchanged views with Stefano Micossi, the European Commission's director general for industry.

The two senior officials also agreed to consider staff exchanges between MITI and the commission in a bid to promote cooperation, according to the MITI official.

North Korea

DPRK: ROK-U.S. 'War Exercises' Denounced

SK2905112196 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 28 May 96

[FBIS Translated Text] The civilian war maniacs, in league with the United States, are again recklessly running amok to ignite the war of northward aggression. Under the pretext to improve so-called ground operation capabilities, the puppet marine corps and the U.S. Marine Corps conducted provocative war exercises on the East Sea [Sea of Japan] of Korea for more than 20 days.

The puppets and the U.S. imperialists conducted firing exercises under various names in their nuclear and chemical war exercises, and ran amok as if they were in an actual war.

The puppet air force raved about preparing for a situation of someone's war provocation and dragged out various military aircraft days and nights to the West Sea of Korea to conduct antiship exercises. The puppet army conducted Ssangyong war exercise near the northern part of the east coast of the Kangwon Province in South Korea.

In addition to the war exercises of each service of the puppet armed forces, the Kim Yong-sam traitor clique, in league with the United States, created an war atmosphere in the entire South Korea and mobilized reserve forces and civilian troops, as well as general citizens, to the war exercise commotion. The puppet clique conducted the Hwarang war exercise in Seoul from 14 to 18 May, mobilizing 170,000 troops of the Civil Defense Corps and the police to practice cracking down and firing on rebellion forces. Prior to this, the puppets even flew simulated enemy plane on the sky above 38 cities across South Korea, tormenting the people.

While conducting various war exercises, the puppet clique and the United States frequently plotted northward aggression. The puppet air force chief of staff and the U.S. Air Force chief of staff put their heads together in Seoul to plot an aviation strength-centered new war implementation, and agreed to strengthen military co-operation.

The puppet navy's unit 913 formed a working-level civilian-administration-military joint defense committee and discussed immediate countermeasures in case of emergency. After the committee meeting, the navy showed relevant officials around warships and the operation areas to instigate their sense of war.

In addition, the puppet clique is strengthening the arms buildup maneuver with the help of the United States. The puppets recently begged the United States to sell $200 million worth of weapons to them, and hand them over 46 missiles to be installed on destroyers and submarines.

The puppets purchased $986 million worth of weapons from the United States during one year ending September 1995, making South Korea the fifth largest importer of U.S. arms in the world. The puppets are continuing with the arms buildup frenzy.

DPRK: NODONG SINMUN on ROK Plans To Reinforce Naval Force

SK2705033396 Pyongyang KCNA in English 0322 GMT 27 May 96

["Warmaniacs for Arms Buildup" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 27 (KCNA) — The South Korean puppets are reportedly moving up preparations for founding a new combat flying corps of the puppet air force in South Chungchong Province early in December. And they said that they would concretize the "plan for reinforcing Naval force" including a light aircraft carrier and aegis from next year earlier than the schedule.

NODONG SINMUN in a commentary Sunday said this is a military adventure of such warmaniacs as the Kim Yong-sam group.

The Korean peninsula is now in the midst of a hair-trigger situation in which a war may break out any time owing to the war provocation moves of the U.S. bellicose military quarters and the South Korean puppets, the news analyst noted, and went on:

Never should it go unnoticed that the action of the Kim Yong-sam group getting over-heated in arms buildup at this time is a grave military provocation artificially aggravating the situation of the country turning to the brink of war.

The frenzy of the Kim Yong-sam group in reinforcing the puppet Army, Naval and Air Forces is a clear proof that they are intending to ignite a war against the North in league with outside forces.

Those who take pleasure in playing with fire are burnt to death. The Kim Yong-sam group should bear this in mind and immediately stop their frantic arms buildup against the North.

DPRK: NODONG SINMUN on Charges DPRK Soldiers Entered MDL

SK2905090696 Pyongyang KCNA in English 0850 GMT 29 May 96

["NODONG SINMUN On S. Korean Puppets' Efforts for War Provocation" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 29 (KCNA) — The South Korean puppets have charged the North with the "violation of the Armistice Agreement", alleging that its servicemen "entered" the Demilitarized Zone South of the Military Demarcation Line (MDL) and "fired guns."

Commenting on the fact, NODONG SINMUN today says their allegation is aimed at hunting a pretext for provoking a war by getting on the nerve of the North and further aggravating North-South confrontation.

The daily further says:

It is the South Korean warmongers that have wrecked peace and sought a war in the Korean peninsula.

The Kim Yong-sam group have been going ahead with preparations of a war against the North to emerge from their serious crisis caused by the failure of their deceptive "policy of reforms", the slush fund scandal largest ever in history and their policy of confrontation with the North. In order to carry into practice the war plan they have already worked out with their master, the United States, they have been hell bent on arms buildup in South Korea, going against the universal trend towards disarmament and detente. They have purchased tanks, armoured vehicles, missiles, jet fighters and other combat equipment from the U.S. in recent years. Some time ago, they revealed an intention to set up a new combat flying corps in the puppet Air Force and drastically reinforce the Navy with a light carrier, aegis, etc.

With the Armistice Agreement totally destroyed, they, in a bid to start a war any time, have deployed huge Armed Forces near the MDL and step up "watch condition" in the whole puppet Army. Their grave military provocations near the MDL have rendered the situation all the more perilous. Recently, they committed a grave military provocation again early in the morning. They infiltrated eight vessels of destroyers, patrol boats and fast ships deep into the western territorial waters of the North.

The Kim Yong-sam group had better act with discretion, pondering over the consequences to be entailed by their preparations for a forestalling attack on the North.

DPRK: KCNA Reports Kim Chong-il Receives Gift From Richardson

SK2805113696 Pyongyang KCNA in English
1120 GMT 28 May 96

[FBIS Transcribed Text] Pyongyang, May 28 (KCNA) — The great leader Comrade Kim Chong-il received a gift from a member of the House of Representatives of the United States.

It was handed to First Vice-minister of Foreign Affairs Kang Sok-chu, vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly of the DPRK, by Bill Richardson, Democratic chief deputy whip in the House of Representatives of the United States.

DPRK: Richardson-Kang Talks Reported; Richardson Departs

SK2905035696 Pyongyang Korean Central Broadcasting Network in Korean
0100 GMT 29 May 96

[FBIS Translated Text] Bill Richardson, Democratic chief deputy whip in the U.S. House of Representatives and U.S. officials of the State and Defense Departments left Pyongyang on 28 May by a plane for the U.S. Government's exclusive use after concluding their three-day visit to our country.

They were seen off at the airport by Kim Kye-kwan, vice minister of foreign affairs.

During his stay in Pyongyang, Congressman Bill Richardson held talks with Kang Sok-chu, first vice minister of foreign affairs and vice chairman of the Foreign Affairs Committee of the Supreme People's Assembly. Matters of mutual concern, such as the implementation of the DPRK-U.S. agreed framework, the exhumation and repatriation of remains of the U.S. soldiers missing in action, and four-way talks, were earnestly discussed at the talks.

DPRK: Kim Chong-il Receives Gift From Russian State Duma

SK2805130596 Pyongyang KCNA in English
1116 GMT 28 May 96

[FBIS Transcribed Text] Pyongyang, May 28 (KCNA) — The great leader Comrade Kim Chong-il received a gift from the State Duma of the Russian Federation.

It was handed to Yang Hyong-sop, chairman of the Supreme People's Assembly, by speaker Gennadiy Seleznev, who is head of the delegation of the State Duma of the Russian Federation, on a visit to Korea.

DPRK: Yi Chong-ok Meets Russian State Duma Delegation

SK2805141696 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 28 May 96

[FBIS Translated Text] Vice President Yi Chong-ok met the delegation of the State Duma of the Russian Federation led by its speaker His Excellency Gennadiy Seleznev at the Mansudae Assembly Hall on 28 May and held talks amid a friendly atmosphere.

Present there were Yi Mong-ho, secretary of the Standing Committee of the Supreme People's Assembly [SPA]; Yi Tong-chol, member of the Foreign Affairs Committee of the SPA and chairman of the DPRK-Russian Friendship Parliamentary Group; and Yuriy Fadeyev, Russian Federation ambassador to the DPRK.

DPRK: Foreign Minister Meets Russian Duma Delegation

SK2805142596 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 28 May 96

[FBIS Translated Text] Vice Premier and Foreign Minister Kim Yong-nam met the delegation of the State Duma of the Russian Federation led by its speaker His Excellency Gennadiy Seleznev at the Mansudae Assembly Hall on 28 May and held talks amid a friendly atmosphere. Present there were Vice Foreign Minister Yi In-kyu, and Yuriy Fadeyev, Russian Federation ambassador to the DPRK.

DPRK: SPA Deputies Meet With Russian State Duma Group

SK2805143196 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 28 May 96

[FBIS Translated Text] A meeting was held between the deputies of the Supreme People's Assembly [SPA] and members of the delegation of the Russian Federation State Duma visiting the DPRK at the Mansudae Assembly Hall on 28 May.

Present there from the DPRK side were Yi Mong-ho, secretary of the Standing Committee of the SPA; deputies of Pyongyang; responsible functionaries of the press sector; and other functionaries concerned. Present there from the Russian side were members of the State Duma delegation led by its speaker His Excellency Gennadiy Seleznev; and Yuriy Fadeyev, Russian Federation ambassador to the DPRK.

Participants of the meeting exchanged talks on the structure and administration method of each other's parliaments and issues of mutual interest. The meeting was held amid a friendly atmosphere.

DPRK: Yang Hyong-sop at Russian State Duma Speaker's Banquet

SK2905044896 Pyongyang KCNA in English 0300 GMT 29 May 96

[FBIS Transcribed Text] Pyongyang, May 29 (KCNA) — Gennadiy Seleznev, speaker of the Russian State Duma who is leading its delegation, on May 28 arranged a banquet at the embassy of the Russian Federation in Pyongyang on the conclusion of its visit to the DPRK.

Invited to the banquet were Yang Hyong-sop, chairman of the Supreme People's Assembly [SPA] of the DPRK, Yo Yon-ku, vice- chairperson of the SPA, Yi Mong-ho, secretary-general of the Standing Committee of the SPA, Yi Tong-chol, member of the SPA Foreign Affairs Committee and chairman of the Korea-Russia Friendship Parliamentary Group, and other officials concerned.

On hand there were members of the delegation of the Russian State Duma and Russian Ambassador to Korea Yuriy Fadeyev and his embassy officials.

Gennadiy Seleznev and Yang Hyong-sop exchanged speeches at the banquet.

DPRK: SPA Deputies Meet With Visiting Russian Delegation

SK2905050396 Pyongyang KCNA in English 0318 GMT 29 May 96

[FBIS Transcribed Text] Pyongyang, May 29 (KCNA) — Deputies to the Supreme People's Assembly of the Democratic People's Republic of Korea had a meeting with members of the delegation of the Russian State Duma at the Mansudae Assembly Hall on May 28.

Present on our side were Yi Mong-ho, secretary general of the Standing Committee of the Supreme People's Assembly, and deputies in Pyongyang and officials concerned and on the opposite side were members of the delegation headed by speaker of the State Duma Gennadiy Seleznev and Russian Ambassador to Korea Yuriy Fadeyev.

They talked about the composition and operation of their parliaments and matters of concern.

DPRK: Russian Liberal Party Delegation Visits Kim Il-song Statue

SK2905050896 Pyongyang KCNA in English 0319 GMT 29 May 96

[FBIS Transcribed Text] Pyongyang, May 29 (KCNA) — The delegation of officials of the Liberal Democratic Party of Russia headed by Galina Lebedeva, chairman of the Women's Association aiding the State Duma, visited the statue of the great leader President Kim Il-song on Mansu Hill on May 28 and laid bouquets and made a bow.

DPRK: Russian Duma Delegation Leaves Pyongyang on 29 May

SK2905053296 Pyongyang Korean Central Broadcasting Network in Korean 0300 GMT 29 May 96

[FBIS Translated Text] A delegation of the Russian Federation State Duma, headed by its speaker, His Excellency Gennadiy Seleznev, which had visited the DPRK at the invitation of the DPRK Supreme People's

Assembly [SPA], left Pyongyang by plane this morning after successfully concluding its visit.

Those who saw off the delegation at the airport were Yang Hyong- sop, chairman of the SPA; Yi Mong-ho, secretary of the SPA Standing Committee; Kim Yong-ho, vice chairman of the SPA Foreign Affairs Committee; Yi Tong-chol, member of the SPA Foreign Affairs Committee and chairman of the DPRK-Russian Friendship Parliamentary Group.

Yuriy Fadeyev, Russian Ambassador to the DPRK, and other embassy officials were also present at the airport.

DPRK: Dailies Denounce South's Arrest of Pomminnyon Leaders

SK2905052096 Pyongyang KCNA in English 0437 GMT 29 May 96

["Foes of Reunification Under Fire" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 29 (KCNA) — The Kim Yong-sam fascist clique imposed prison terms of up to four years on Vice-chairman Chon Chang-il, central member Kim Pyong-kwon and Secretary General Sin Chong-kil of the South side headquarters of the National Alliance for the Country's Reunification (Pomminnyon).

Commenting on the fact, papers here today bitterly denounce them for openly challenging the ardent desire of the whole nation for the reunification of the country.

NODONG SINMUN says:

The Kim Yong-sam group have imprisoned the old men, who have devoted themselves to national unity and reunification, charging them with being "spies". This is a crime of the blackest dye which can never be condoned in view of obligation and morality.

By doing so, they, who are staking their fate on the perpetuated division of the nation, want to frighten the people and arrest their reunification movement.

They must withdraw the penalties imposed on members of the Pomminnyon South side headquarters and release them at once.

Meanwhile, MINJU CHOSON stresses that all the fellow countrymen will never tolerate the South Korean fascist clique for their anti-national, anti-reunification crimes.

DPRK: Yi In-mo Travels 'Abroad' for Medical Treatment

SK2905103496 Pyongyang KCNA in English 1016 GMT 29 May 96

[FBIS Transcribed Text] Pyongyang, May 29 (KCNA) — Yi In-mo, who is known as incarnation of faith and will, left here on May 25 for medical treatment.

He was seen off at the airport by Kim Yong-sun, Chang Chol, Han Si-hae, Kim Yong-ik and other officials and Yi's family.

Prior to departure, he laid a floral bouquet and made a bow before the statue of the great leader President Kim Il-song on Mansu Hill.

He and his family were interviewed by reporters at the airport.

At the interview, Yi expressed deep thanks to the respected General Kim Chong-il for the arrangement for his medical treatment abroad.

His wife, Kim Sun-im, told reporters that her husband would have already died from the aftermath of the South Korean puppets' maltreatment if he had not been cared for by General Kim Chong-il.

She also said that thanks to his deep loving care, her husband could come back to life by miracle. "Though he is old now," she noted, "he has enjoyed himself in the socialist homeland under the benevolent politics."

She further said:

"General Kim Chong-il's solicitude is so great that I can find no proper word to thank him.

"He really incarnates love and benevolent politics on the highest level."

Yi's daughter, Yi Hyon-ok, said:

"Frankly speaking, my father has done nothing special for the party and the leader, for the country and the people. What he did is that he maintained his faith.

"But the respected general has taken it very valuable that my father fully discharged his duty as a member of the Workers' Party of Korea for 34 years in prison."

"When my father crossed over Panmunjom, he was an invalid. It is thanks to the general's loving care that he has recovered his health.

"I have much to tell about his loving care for my father and family.

"This time, he has given my father a chance to enjoy medical treatment abroad. We are deeply grateful to him for ever increasing love.

"All of my family including my father will do our best to repay his love with loyalty through generations."

South Korea

ROK: DPRK Defector's 28 May News Conference

SK2905004196 Seoul KBS-1 Television Network in Korean 0100 GMT 28 May 96

[News conference by DPRK Air Force pilot Yi Chol-su, who defected to the ROK aboard a MiG-19 on 23 May, with domestic and foreign reporters at Seoul's Press Center — live]

[FBIS Translated Text] [Yi] I extend my gratitude to all of South Korean people for sincerely welcoming my defection to South Korea. I am former Captain Yi Chol-su, a responsible pilot from the 3d Company, 2d Battalion, 57th Pursuit Air Regiment, 1st Air Division, of the Air Force and Air Defense Command of the Korean People's Army. I was born on 20 June 1966 in Orang-up, Orang County, North Hwanghae Province. I moved to Samjiyong, Yanggang Province, following my father. After graduating from a people's school and a middle school there, I joined the People's Army on 1 May 1982. After that, I completed a pilot training course at the Air Force Officers' School for four years and three months and was commissioned as a second lieutenant. Then, I received a two-year pursuit airplane pilot course again. After completing this course, I was assigned to the 3d Company, 2d Battalion located in Onchon County, South Pyongan Province as a responsible pilot. I defected to the ROK on 23 May.

My father was discharged from the North Korean Air Force. My mother died in 1992. I have three elder sisters, one young brother, and one young sister. This is my brief family background.

[Unidentified moderator] Questions will now be taken. Seoul Broadcasting System [SBS] will ask the first question.

[Sin] I am reporter Sin Tong-uk from SBS. As you mentioned a little while ago, you have come to South Korea, leaving your family behind in North Korea, including you father, brothers, and sisters. So, I assume you must have agonized a lot in deciding to defect to South Korea.

First of all, I would like to extend encouragement to you on behalf of some 100 domestic and foreign reporters who are present here. According to our investigative authorities' interrogation reports, you stated that North Korea has established a plan to completely occupy South Korea within a week in the event of an emergency. So, would you explain this plan in more detail?

[Yi] The motive for my defection to South Korea is as follows: The people in North Korea are suffering from serious food shortages and economic difficulties. They are starving. Along with this, corruption and irregularities, as well as such social evils as burglary and thievery, are rampant in the society. While the ordinary people are starving and in rags, a handful of high-ranking officials, namely, party cadres and security officers, in other words, those enjoying real power, are seeking only their wealth. Accordingly, money and bribery prevail in the North Korean society today. In other words, without money one cannot achieve one's hope in North Korea. Children of workers and peasants cannot even go to colleges if they do not have money or do not give bribes to cadres.

In contrast, children of cadres can go to colleges no matter how stupid they may be because their parents can afford to offer bribes.

This is the situation in the society. Such a corrupt practice prevails in the military, too. In other words, in the military, no matter how faithfully a person may serve in his military life, if he does not offer money and bribes to his seniors, he cannot achieve his hopes. For instances, he cannot become a cadre member nor can he join the p[illegible], and enter higher schools.

However, those who fawn on cadres and offer bribes to them are highly evaluated as able men. This is how not only the civilian society but also the military has been completely corrupted.

This is not all. While the people are starving and in rags, Kim Chong-il has concentrated all efforts on war preparations.

While the people are suffering from a food shortage, the military is given enough food ration and is accelerating war preparations.

Until the time when I defected to South Korea, military troops had been extensively deployed along the entire frontline area. Along with this, military exercises have been further strengthened. Because of such intensified military exercises, soldiers are tormented to the extreme.

I have come to South Korea to tell the South Korean people that no one can live in that society any more, to prevent the danger of war, and to rescue the North Korean people. I have a family in North Korea. However, I have defected to rescue all North Korean people from starvation, inform South Korean people of all the facts concerning North Korea's war preparations, prevent the threat of war, and prepare against it.

I have visited various places in Seoul after arriving in South Korea and I keenly realized that my decision to defect was correct.

[KBS reporter Yi Kun-hui] Upon arriving at Suwon Air Base, you said you were grateful to North Korea's Workers Party. Why did you do that and how did you feel when you arrived at Suwon Air Base?

[Yi] I did say that. I said that because I was grateful to the Workers Party for having sent me to the prosperous society in South Korea. I said so cynically because I was grateful to it for having sent me from a hellish society to a prosperous society. Upon arriving in Seoul, I realized that I had been deceived for 30 years and that South Korea is truly my country.

[Chon] I am reporter Chon Sang-kyu for the Yonhap Television Network. You said the North Korean Armed Forces had mapped out a plan to conquer all of South Korea in seven days after starting a war. Did you personally participate in exercises under this plan? Did you think North Korea could conquer all of South Korea in seven days?

[Yi] Around April 1995, we heard that a war would start. Kim Chong-il is doing everything to prepare for a war. Not only the People's Army, but the North Korean society in general are more vigorously than ever carrying out an ideological indoctrination campaign to arm themselves with Kim Chong-il's view on achieving reunification with force.

As part of this, in 1994 [as heard], I guess, Kim Chong-il carried out ideological indoctrination work stressing that the People's Army must further devote itself to preparing for a war, that the more loudly the party chants a slogan calling for peaceful reunification, the Army must not expect peaceful reunification will be achieved, and that the fatherland will be reunified only with guns.

Also, in April 1994, Kim Chong-il carried out ideological indoctrination work stressing that North Korea should wage a war, a quick war, in the dead of night when all people are sleeping to ensure that they hear the report during a morning news hour that the reunification has been achieved.

Moreover, Kim Chong-il inspected military units across the frontline — the eastern, central, and western sections of the frontline. During the inspections, Kim Chong-il expressed a great satisfaction over the fact that warriors were ready to fight, congratulated the warriors for their accomplishments in training, and took pictures with them. In this way, he is inspiring them into preparing for a war.

Also, Kim Chong-il gave each brigade commander or higher a Paektusan pistol inscribed with his name and each corps commander or higher a Benz limousine for use in combat. In this way, he is carrying out indoctrination work to ensure that commanding officers absolutely comply with his orders and unconditionally carry them out to the end.

During a visit to a female coastal battery, Kim Chong-il gave creams and high-quality face powder to female soldiers, saying their hands and faces were chapped. He is carrying out indoctrination this way to ensure that soldiers more highly respect him and be loyal to him.

As part of the preparations for a war, on 30 April 1994, all planes of our Air Force unit, all North Korean fighters, flew at the same time under Kim Chong-il's sudden order and instruction. All of them flew at the same time to see how many Air Force fighters North Korea could mobilize when launching a surprise attack on South Korea. And, in October 1995, North Korea concentrated fighters on Tongchon, Insan, and Taetan airfields to launch a preemptive strike at South Korea. It also concentrated bombs, fuel, and auxiliary [word indistinct] for these planes on those areas.

Moreover, the North Korean Air Force has reorganized itself to ensure it can fight effectively. It even plans to deploy fighters (?of various types) in frontline airfields. Our Air Force has stored grain, salt, ammunition, oil, and other reserve materials for war. No one can embezzle grain or oil. If a military unit embezzles them, the commander of the unit will be court martialled.

There is an underground airstrip in our Onchon airfield. Our pilots have finished nighttime landing and takeoff exercises designed to launch preemptive strikes. The Air Force has mapped out a plan on how it will prepare for nighttime fighting and carry out actual fighting in order to report it to Kim Chong-il. North Korea has also built fake airfields, planes, and arteries and made all preparations for a war.

A little before I came to South Korea, new-type ground-to-air rockets were developed at a firing range near the Onchon airfield, and our Onchon airfield provided help to test the rockets. I personally saw this.

In April 1995, the 2d Infantry Corps, stationed in the western section of the frontline, and a division on the eastern section of the frontline conducted operational training for preemptive strikes in areas that bear a close resemblance to South Korea. At that time, our regiment political officer told us that a war was imminent.

Moreover, North Korea has selected the 2d Corps on the western section of the frontline as the direction of its main thrust and mapped out a three-stage operational plan to [conquer South Korea] in seven days by using Kaesong, Munsan, and Seoul as the direction of its main thrust if fighting erupts.

According to the operational plan, North Korea intends to occupy the area south of the Han River, including Seoul, within 24 hours in the first stage; the area down to Taejon in the second stage; and then the entire South Korean territory, including Pusan and Cheju Island. The North Korean Army conducts strict training in conformity with this operational plan.

Next, how does Kim Chong-il manage the commanding personnel of the People's Army? First, Kim Chong-il, who believes that commanders who are bold and daring like brutal animals will be needed in the future, Kim Chong-il has made a shift in generation, replacing old commanders with young and able men. Stressing that when a battle takes place, soldiers should become brave fighters like tigers, Kim Chong-il educates them well.

In addition, emphasizing the importance of night battles to the entire People's Army, including the Air Force, Kim Chong-il tries to increase the soldiers' nighttime combat ability by having them sleep during the daytime and receive training at night; they are ready for actual night battles.

As described before, the North Korean Army is totally ready to occupy South Korea at once as soon as Kim Chong-il issues an order. We, pilots, also have the determination that we should achieve victory once a battle takes place.

[MBC reporter Pak No-hun] When you, Captain Yi, defected to the South on 23 May, particularly for 19 minutes from the time you departed from Onchon Airport at 1030 to the time you crossed the North's boundaries at 1049, North Korea was not even aware of the defection. This shows the looseness of the North Korean defense network. What is your comment on this? On the other hand, South Korea successfully led you, Captain Yi, and the plane to land in 26 minutes. How do you evaluate the South Korean defense network?

[Yi] For an intermediate recovery, I took off on the flight No. 3, with a minute interval, at Onchon Airport on 23 May 1996. When the two planes, which had flown ahead of me, were about to land at the airport, I turned the fighter to the skies above Haeju and crossed the border successfully. However, I think the North Korean radar did not detect my plane when I escaped from the North. Again I thank the fighter pilots who led me to Suwon Airport where I landed safely. I think the South Korean military system or its radar network are classified military issues of South Korea; May I answer the question later in an individual meeting? [laughter]

[Unidentified reporter] What was your impression then?

[Yi] When I turned the fighter to the left toward the South, I felt a South Korean Air Force fighter following me. Glancing at the South Korean fighter behind me, I immediately noticed that it was a F-16 fighter as a result of repeated war exercises I had participated in when I was in North Korea. Then, I was aware that an F-16 was flying right behind me and another flying on my right. So, I dipped the wings of my plane to inform them that I was seeking asylum, and lowered the wheels of the plane to land as soon as possible. At that moment, I believed the F-16 fighter pilots understood my sign. When an F-16 fighter flew ahead of my plane, I was relieved as I thought the pilot was going to lead me to safely land at the airport. At last, I was able to safely land my plane escorted by the South Korean fighters.

[Choe Won-ki] I am reporter Choe Won-ki from CHUNGANG ILBO. I have two questions. My first question is: We understand that when you came to the ROK you wore feet wrappings, not socks, which drew our special attention. Would you tell us in detail the supply situation such as food and fuel supply for airplanes in particular? My second question is: We know Kim Chong-il is probably watching this television coverage in North Korea. So, would you take this opportunity to tell something, if you have anything to say, to Supreme Commander Kim Chong-il?

[Yi] All soldiers of the North Korean People's Army use feet wrappings. Our pilots receive special treatment. Each pilot receives two pairs of feet wrappings and two pairs of socks a year.

While the people are suffering from a food shortage, the food and oil supply for the People's Army is enough and sufficient because it is for war preparations. As I mentioned earlier, food and oil in particular have been unquestionably supplied. No one can deal with these two items without permission. If one illegally deals with these two items one is destined to be sent to a military court.

Next, what I would like to tell Kim Chong-il is that he should not be frenzied in war preparations and that he should renounce his wild aim of reunifying the country by force of arms. The people in South Korea and the people in North Korea are the same Koreans. Therefore, there is no reason whatsoever to kill each other. Our reunification should be achieved in a peaceful way. I urge Kim Chong-il to renounce his view on reunification by force of arms. All food and oil which have been stockpiled for use in war preparations should be supplied to the people. This is what I would like to tell Kim Chong-il.

[Son] I am reporter Son Chong-ku from SEGYE ILBO. Earlier you mentioned North Korea's plan to completely occupy South Korea. Would you explain this plan in more detail?

[Yi] I am merely an Air Force pilot and not a military strategist. However, I have been taught that the future war is a three-dimensional fight waged in the sky, and on the land and sea. But, I do not know North Korea's operational plan in detail.

[Kim] I am reporter Kim Hyon-kyong from the Munhwan Broadcasting Corporation. Kim Chong-il has reportedly concentrated his on-the-spot guidance on North Korean military units. He is also currently the supreme commander of the North Korean Army. Would you tell us about Kim Chong-il's influence on the North Korean military and how the North Korean military assesses him? In particular, how do young elite North Korean officers assess him?

[Yi] Kim Chong-il was elected as the only successor to Kim Il-song in 1974. Afterward, when he served as a secretary for organization affairs in the party Central Committee, Kim Chong-il began to control the party's leadership in the military through party cells and political organs within the Army. Since the late eighties, I think, he has completely controlled the People's Army. In December 1991, he was elected as the supreme commander of the North Korean Army. On 9 April 1992 he was elected as chairman of the National Defense Committee.

After Kim Il-song died, Kim Chong-il frequently visited People's Army units in the frontline areas. There, he praised the results of soldiers' combat exercises and promoted their morale. Thus, he has carried out indoctrination work so that soldiers are loyal to him. In view of this fact, I think, Kim Chong-il has completely controlled the military.

As I previously mentioned, at the People's Army, Kim Chong-il awarded pistols inscribed with his name to commanders of brigade level and higher, and expensive Benz automobiles for use in combat to corps commanders and those of higher level. Also, in the case of pilots like us, he gave food such as buckwheat and beef on national holidays. In this way, he is carrying out indoctrination work to ensure that they worship him and are loyal to him, and absolutely comply with his orders and carry them out to the end. From this viewpoint, I believe that the military is also pledging loyalty to Kim Chong-il's orders.

[Choe] I am reporter Choe Song-chin from Christian Broadcasting System. Right after you defected you said that you decided to defect because it was difficult to live in North Korea. I believe that a pilot in North Korea is to some degree in a privileged class receiving benefits. Also, I believe that it was very difficult for you to decide to defect because you have a father, wife, and children in the North. Can you tell us in detail when you decided to defect and what was the decisive motive for your defection by overcoming such adverse situation?

[Yi] As I previously mentioned, I received indoctrination work throughout my whole life of some 30 years that a socialist country — the North Korean society — is a society for the popular masses. However, in reality it is not a society for the people. The North Korean society is a society in which all of one's wishes can blossom only if there is power, money, and means. Even though the people are suffering from a serious food shortage, it has become a society in which only the so-called party cadres and public security workers, party functionaries, prosecutors of provinces, and judicial officers — who are only a handful in North Korea — that have real power in society, are able to live. It doesn't matter if the people live or die.

Such a situation is the same within the military. A person with money, who offers bribes, and uses toadyism and flattery, is praised as a person with high loyalty and who serves the military well. Since such people use toadyism and flattery, discipline itself is nonexistent, and they are the first ones to be recommended when being promoted. Also, some people even offer tape recorders when joining the Workers Party. Such people join the Workers Party first. Also, those who use toadyism and flattery are recommended to attend school and universities first.

However, those who sincerely served the military and who worked well are not able to live a worthwhile life as a human being but become crippled, suffer from malnutrition, and ultimately die. Regardless of the society's situation, Kim Chong-il is only running amok for war preparations. Food rationing is not being carried out well and the people are suffering from hunger. Rice is being rationed to the military first and concentrated only in war preparations.

Therefore, I myself was disillusioned with Kim Chong-il's system. As I mentioned before, there are many slogans such as, "Our society is a society for the popular masses," and "Serving the people." However, in reality they are not true. Therefore, I thought about this system very much. My family and relatives are in the North, and as you all treasure your families, I also treasure my family and I am heartbroken when I think about them. But, I thought that what is more important than my family is to save all the North Korean people from the Kim Chong-il system as soon as possible. Also, I thought that I should inform the South Korean people on how the North is making war preparations, and to prevent the source of war. This is why I decided to defect.

[Unidentified reporter] According to what was revealed, you have only had 380 flying hours, including training, Captain Yi. This number of hours would only amount to 20 percent of a South Korean pilot with the same service career, if a comparison is made between the two. Besides, your equipment and the aircraft parts are all worn out, and are incomparably inferior to that of the South Korean side. Captain Yi, even though you may not know all this in detail, you must have heard from your father, who is known to have served in the North Korean Air Force, that during the Korean war, the UN Forces had complete air supremacy, and North Korea was burnt to the ground by bombing. This being the case, I guess those in your Air Force must have had a sense of greater fear toward the South Korean Air Force and the UN Air Force, than their ground and naval forces. You, Captain Yi, did you have a sense of confidence in victory in fight against the South Korean Air Force if a war broke out?

[Yi] I will answer to that question. I, as a pilot, value and love my airplane. Because of oil shortages, we, the North Korean pilots cannot conduct a lot of training. Instead, many times we conduct training on the ground. Accordingly, the North Korean pilots, including myself, are ideologically resolved to confidently fly their fighters, and are mentally prepared for fight.

Besides, we conducted many research works in addition to military education. Thus, we believed that if we fight with the spirit of making ourselves human bombs, we would win. Thus, all of our pilots are resolved to fight with such spirit.

[Kim] I am reporter Kim Min-sok. I understand that for an effective offensive during the early stage of war, each unit has its own unique missions. Would you explain the target area of the 3d Company of the 2d Battalion in Onchon Air Base, which you belonged to, and about how you would attack your targets? Also, please tell us about the degree of your familiarity of the geographical features of South Korea.

[Yi] In North Korea, I have been trained many times on military materials concerning South Korea. Besides, I constantly researched my combat missions. However, as I believe that this issue is related to military secrets of the South Korean Armed Forces, may I explain this to you individually?

[U] I am SBS reporter U Sang-ok. North Korea's high-ranking military officers are talking as if they were to start a war even tomorrow, including the remark that they will make Seoul a sea of fire. Would you tell us whether North Korean officers, soldiers, and people in general really want a war?

[Yi] Speaking of the North Korean society, because of serious food shortages, the people prefer a war instead of being starved to death, or they want to do anything for survival with whatever means available, whether they be capitalism, socialism, or war. I am sure that you cannot imagine this, because you have not witnessed the reality [in North Korea].

[O] I am YTN reporter O Song-yop. Please tell us when the North Korean Army and people think Kim Chong-il will assume the presidency and about the internal atmosphere surrounding this issue? Also, I would like to ask about who you personally think can succeed Kim Chong-il if he falls from power.

[Yi] When I went through indoctrination work many times in North Korea, I was taught that there is no rival to Kim Chong-il in North Korea in rendering loyalty to Kim Il-song.

Kim Chong-il himself is fulfilling filial piety as a dutiful son toward his father Kim Il-song. In view of this, I expect that Kim Chong-il will rise to the presidency only after 8 July, the third anniversary of Kim Il-song's death, since he feels it is immoral to assume the presidency before this time. Another guess is that since Kim Il-song's greatest behest was to present the gift of national reunification to the ensuing generations, Kim Chong-il, his son, may rise to the presidency after the nation is unified. Kim Chong-il himself has grasped all real power in North Korea. Under these conditions, whether he rises to the presidency or not, or whether he assumes the presidency at an early or later date, does not make much of a difference.

Regarding the issue of a successor to Kim Chong-il, there is no talk on this in North Korea and I can not even make a personal guess as to who would replace him.

[Sin Kyong-min] I am MBC reporter Sin Kyong-min. You have mentioned about food shortages many times. Captain Yi, you held a special position as pilot. Could you explain the food shortages you experienced in your special position and describe what ordinary citizens are going through? Also, I would like to ask whether you were aware of South Korea's rice aid offering to North Korea last year and whether you know of how the rice was used.

[Yi] Our North Korean pilots are treated like those above the level of section chief in the party Central Committee. Therefore, we pilots have not suffered serious food shortages. Ordinary citizens, however, receive food rationing once every few months, and they get one or two more kilograms of food on Kim Il-song's and Kim Chong-il's birthdays to enable them to commemorate the holidays. However, the people are often forced to donate their rationing as an expression of their patriotism. Thus, I have heard many times that they suffer from food shortages, and that in addition to rice, they receive wheat flour and (?maize-based feed).

[Hwang Sang-mu] I am KBS reporter Hwang Sang-mu. I have two brief questions. First, North Korea's military provocations have recently become very frequent. For instance, in the early morning of the day of your defection, Captain Yi, five North Korean patrol boats crossed over the Northern Limit Line, and on 17 May, seven North Korean soldiers crossed the Military Demarcation Line, although they returned later. What do you think led to these provocations by North Korea?

A survey team was dispatched from South Korea to Sinpo, North Korea, on five occasions since last year to conduct geographical surveys there. In addition, 80-odd technicians of the Korean Electric Power Corporation have visited North Korea, and another survey team is scheduled to pay the sixth visit to North Korea soon. All this work is aimed at supplying atomic power stations, called light-water reactors, to North Korea. Can you tell us whether the North Korean soldiers and people know about this project to provide light-water reactors to North Korea?

[Yi] Before I answer this question, I would like to finish answering the previous question. We heard rumors of rice aid from South Korea. We pilots also heard a rumor that 10,000 tonns of rice came through Nampo. We ate what we were told was South Korean rice, for about a week. However, we were not sure of whether the rice was from South Korea or not. I am not personally sure whether South Korean rice was distributed to ordinary citizens.

Concerning the question you just raised, I heard from our regiment's political officer that the action taken in the Demarcation Line is part of a political offensive aimed at obtaining certain concessions from the U.S. side in future DPRK-U.S. talks.

We heard that the United States, Japan, South Korea, and the like, were offering light-water reactors to North Korea, and that they had come to North Korea and were presently engaged in construction. However, I do not know about other issues, such as what work they are supposed to do in the future and what degree of progress has been made in this project.

[Yi Tong-che] I am KUNGMIN ILBO reporter Yi Tong-che. You said that beginning in April 1996, North Korea began to remove mines planted in the DMZ by the Chinese Army during the Korean war, and deployed its armed forces to advanced areas. Will you explain to what extent this work has progressed up to this point? Removal of mines means that one is ready for an attack. Please explain, as much as you know, about the progress made in removing mines.

[Yi] During a political lecture meeting, we were informed that mines laid in the DMZ since the armistice were all removed, and infantry troops have been deployed there to launch a preemptive surprise attack. Our Air Force also deployed fighters intensively to the air force bases in Tongchon, Insan, and Taetan, which are very close to the frontline. In addition, they stockpiled gun shells, rocket shells, and the like, in these areas. The Air Force is also pushing ahead with a plan to deploy flying corps, comprised of various types of aircraft, in all areas along the frontline.

[Sin Ik-hyon] I am reporter Sik Ik-hyon from Pyonghwa Broadcasting Network. According to your statement, South Korea first violated the Armistice Agreement and North Korea is refusing to abide by the agreement as a result. You also said that for North Korea, the Military Demarcation Line no longer exists.

Had you ever heard of a concrete time and place in which the South side violated the Armistice Agreement?

My next question is, what kind of work would you like to do in South Korea in the future, although it has only been five days since you defected?

[Yi] Ideological work to enhance the worship of and loyalty to Kim Il-song and Kim Chong-il has been carried out in North Korea intensively. During the political lecture meeting, I heard from Tokko Yun, political officer at our regiment, that ever since 1953, the U.S. side has systematically nullified [muryokhwa] the Armistice Agreement signed between the United States and North Korea. The Workers Party's paper and broadcasts also reported this. This being the situation, the Military Demarcation Line itself is not validated. I also heard that the South side intensively deployed armed forces in the DMZ, as close as 100 meters from the demarcation markers, and that the artillery units await the firing order. Thus, it was pointed out at a lecture meeting that to cope with this situation, North Korea was going to deploy its armed forces to launch a preemptive, surprise attack.

I would appreciate it if the South Korean people and government were to support me in my endeavors to proceed on the path I have chosen, for unifying the fatherland.

[Kuroda] I am SANKEI SHIMBUN reporter Kuroda. I would like to confirm one thing. You mentioned that you were supplied with socks. Why then, did you have on foot-wrappings, instead of socks, when you defected to the South?

[Yi] When I am engaged in intensive flight training, my whole body, not to speak of my feet, get sweaty. So, it is much better for me to wear foot-wrappings, instead of socks, to soak up the sweat.

[Kuroda] You apparently rebelled on your own. Is it possible for the North Korean military to stage an organized rebellion or coup d'etat against Kim Chong-il?

[Yi] What is called the Sixth Corps incident took place in North Korea around April 1995. When rumors surfaced that political commissars and other people of the Sixth Corps, stationed in Nanam, were secretly communicating with South Korea, the corps itself was disbanded, and a new corps was formed and moved to this area.

It is difficult for me to say conclusively whether a rebellion may erupt at the present time, when Kim Chong-il has control over the party, state, and military, and when all dangerous people have been removed.

[Choe Sang-won] I am AP reporter Choe Sang-won. You made a difficult decision to come to South Korea and left behind your family in North Korea. Have you given thought to the implications that your actions will have on your family?

[Yi] The thought of my family aches my heart. Generally speaking, North Korea describes people who defect to South Korea or overseas as traitors to the country and insist on annihilating up to three generations of their families. North Korea has concentration camps. Inmates are forced to lead the lives of slaves. I have heard that family members are interned in concentration camps. I am aware of how North Korea will handle my family.

[Kim Se-won] I am TONG-A ILBO reporter Kim Se-won. You belonged to North Korea's privileged class. I would like to know to what extent North Korean pilots are able to hear foreign news reports, such as reports on South Korea and the international community. Also, do you have relatives in South Korea?

[Yi] As for North Korea's foreign policy toward capitalist countries and enemy countries such as the United States, Japan, and South Korea, it calculates that easy victory can be won once the U.S. forces are removed from South Korea, so it is thus making every effort to improve its relations with the United States. It is also carrying out extensive indoctrination work to educate people to the fact that the U.S. Forces are the sworn enemy of the Korean people and that it will face a final showdown with the United States.

Because of compensation for postwar damages and the issue concerning comfort women, North Korea is very much worried about Japan's attempt to become a big political power and is waging a political offensive against Japan.

North Korea carries out much indoctrination work to educate people on South Korea being a U.S. colony, and on overpowering South Korea in the future. North Korea does not recognize South Korea in and of itself. I was taught that, and North Korean policy is that South Korea is a U.S. puppet or marionette. [Coverage of the news conference cut short at this point.]

ROK: Richardson Says DPRK 'Cold' Toward 4-Party Talks

SK2905024996 Seoul KBS-1 Radio Network in Korean 0200 GMT 29 May 96

[FBIS Translated Text] North Korea has placed top priority on resolving the food shortage to maintain its regime, and other matters are secondary, according to U.S. Congressman Richardson who has just visited North Korea. Congressman Richardson held a news conference at the Kimpo Airport, saying that he was thus informed during his meeting with key North Korean policymakers, including Kang Sok-chu, first vice foreign minister, and Kim Kye-kwan, vice foreign minister. He said that the North Korean officials requested rice aid prior to discussing any other pending issues.

Congressman Richardson said that North Korea was forthcoming on the flood damage in Unpa, and that after a personal tour to the area, he was surprised with North Korea's famine being more serious than he had imagined.

Congressman Richardson said that he explained to Vice Minister Kang Sok-chu that accepting the four-party talks would be beneficial to North Korea in many ways, and advised him to accept the three-party explanatory meeting jointly proposed by the ROK and the United States, but that the reaction was cold.

Congressman Richardson added that he had not visited North Korea on behalf of the U.S. Government, and that he had not carried a personal letter from President Clinton, as reported by some media. He said that the primary purpose of his visit was to discuss technical matters on repatriating the remains of U.S. soldiers. Congressman Richardson said that therefore he had not intended to and nor had enough time to discuss political issues such as the relaxation of economic sanctions on North Korea.

Congressman Richardson departed for the United States following the news conference.

ROK: Official Briefs Reporters on Richardson's DPRK Trip

SK2905034796 Seoul YONHAP in English 0330 GMT 29 May 96

[FBIS Transcribed Text] Seoul, May 29 (YONHAP) — North Korean officials were still suspicious about the real intention behind the four-party meeting proposal when U.S. Rep. Bill Richardson recently met them to urge Pyongyang to come forward for the talks, a Foreign Ministry official said Wednesday.

Director General Yu Myong-hwan of the American Affairs Bureau, briefing reporters on the results of his breakfast meeting with the U.S. congressman earlier in the day, said that North Korean first Vice Foreign Minister Kang Sok-chu did give neither a negative nor a positive response to the four-way peace talks when Richardson referred to the talks proposal in Pyongyang.

Richardson flew to Pyongyang Sunday to meet with Pyongyang officials to discuss the repatriation of the remains of American soldiers listed missing in action since the Korean war.

The Democratic congressman neither carried a personal message from President Bill Clinton to Kim Chong-il nor received any message from Kim to Clinton, Yu said.

Kang and Vice Foreign Minister Kim Kye-kwan appealed for rice assistance from the United States and humanitarian organizations stressing that the North has been suffering from a severe food shortage, but Richardson was not able to give them a clear-cut answer on that issue because he lacked the authority, according to Yu.

"Richardson instead recommended that Pyongyang foster an atmosphere conducive to rice assistance for the North by engaging in direct talks with Seoul," Yu said.

In an effort to impress the U.S. congressman about the food situation in the North, North Korean officials arranged for Richardson to visit a small town near Sariwon, South Hwanghae Province, devastated by the flood last summer.

"Richardson seemed certain that the food shortage is severe and North Koreans are depressed by the food shortage, although the situation is not as bad as the famines in some African states," Yu said.

The main purpose the Democratic congressman from New Mexico flew to Pyongyang was to urge the North to be sincere when dealing with the repatriation of the remains of American soldiers, Yu said.

Richardson had extensive talks with North Korean officials on the MIA issue and got the impression that another round of government-level talks will be held in June between Washington and Pyongyang to form a joint survey team to recover the remains of American soldiers, Yu said.

To show the keen interest of the American Government and people in the MIA issue, Richardson visited a site near Pyongyang where B-29 bombers crashed during the Korean war.

During his three-day stay in Pyongyang, Richardson met with North Korean Foreign Ministry officials to focus on the MIA issue, according to Yu. There were no contacts with military and North Korean Workers' Party officials.

Richardson reportedly explained that he was bewildered when North Korean officials did not give him a complete itinerary for his three-day stay.

"They gave me very short notice immediately before moving to the next item scheduled," Richardson was quoted as saying.

The minority deputy whip of the U.S. House of Representatives was not able to meet with Foreign Minister Kong No-myong late Tuesday as scheduled because of a four-hour delay in the North.

Richardson was about to leave Pyongyang at about 2 PM Tuesday [0500 GMT 28 May], as scheduled, when North Korean officials asked him to stay a little longer.

After about four hours, they brought a box covered with silk screens, and said it was a gift from Kim Chong-il.

Director General Yu said that Richardson's trip had some political implications since he is one of the first American Government officials and politicians to visit the wartime crash site of American planes in North Korea.

Yu dismissed reports that Richardson might have a role in the political talks between Washington and Pyongyang, although he admitted that the visit was made at a sensitive moment when the North was considering the viability of the four-party meeting.

ROK: Editorial on Reexamination of Rice Assistance to DPRK

SK2905103196 Seoul KYONGHYANG SINMUN in Korean 29 May 96 p 3

[Editorial: "North Korea's Preparations for a War and Its Human Rights Situation"]

[FBIS Translated Text] The latest news reports on North Korea are all shocking. Typical examples are the testimony by defector-pilot Yi Chol-su that North Korea has mapped out a plan to conquer Seoul in 24 hours after starting a war and the report by Japan's NHK that North Korea shot dead a person — who had fled North Korea and whom Russia had repatriated — upon arrival.

The remarks by Captain Yi Chol-su, who defected to the ROK aboard a MiG a few days ago, graphically show how frantically North Korea has been preparing for a war, while suppressing people. He said: "While people were suffering from suppression and starvation, Kim Chong-il issued an order to start an attack when people are sleeping, conquer South Korea quickly, and inform people of the conquest of South Korea in the morning.

He also said: "Slave-like life awaits family members of anyone who defected to foreign countries or South Korea." In so saying, he expressed his worry about the trouble facing his family he has left in North Korea. In short, his testimony tells us that the Kim Chong-il system is imposing hunger and inhumane sufferings on people just to prepare for a war. In sharp contrast, in the ROK, student demonstrators take to the streets, while shouting pro-North Korea and anti-U.S. slogans, and air raid sirens keep silent even when an enemy plane crosses into our territory.

Japan's NHK has reported that North Korea shot dead a person — who had fled North Korea — upon being repatriated. This is a testament to the North Korean human rights situation. This must not be a groundless story, because the governor of the Maritime Kray of Russia told this story during a news conference. When North Korea shot the returnee dead, Russian authorities did not turn the remaining two over to North Korea but detained them in a prison.

Then, we would like to ask some Western countries and international agencies whether it is desirable for them to try to host an international conference to discuss rice assistance to North Korea. Who could blame anyone who directly hands rice over to starving North Korean people from a humanitarian standpoint? The problem is that the rice is not distributed to people. Remember Captain Yi's testimony that the rice is distributed to the military on a priority basis.

Therefore, we hope that the international community will reexamine rice assistance to North Korea and the consequences from it. We hope that the international community will act with discretion to ensure that the rice provided "from a humanitarian standpoint" not contribute to human rights violations and preparations for a war.

ROK: Editorial: Seoul Should Reexamine Aid Policy to North

SK2905092696 Seoul HANGYORE SINMUN in Korean 28 May 96 p 3

[Editorial: "Why Not Help North Korean Flood Victims?"]

[FBIS Translated Text] Few people will object to the fact that the North Korean food shortages have reached a very serious point. We all remember that officials of various international organizations and charity groups who have visited North Korea predicted that North Korea's grain stock would be depleted around June, thus the food crisis would reach its peak then. Probably because of this, international organizations, including the UN Department of Humanitarian Affairs, reportedly will hold a second round of talks on providing food to North Korea following the first round of talks last September.

At home, relief activities seem to extend into a nationwide campaign involving people from all walks of life, in addition to religious and relief groups who are already engaged in them.

However, those who endeavor to appease the tribulations of the North Korean people are spouting out their grumbles over the government's incomprehensible requests or interferences. Under the pretext of policy coordination, the ROK Government has garnered the promise from the United States and Japan that they would refrain from providing food to North Korea. Still, it may not be able to do anything about the international organizations' activities. But, the government is keeping domestic civilian or charity groups from vigorously carrying out relief activities by imposing various restrictions. The government forbids rice and cash assistance to North Korea, saying that the Korean National Red Cross [KNRC] is the sole point of contact in aiding North Korea. The government has been putting at the forefront the KNRC — which is taking the incomprehensible policy of ramyon-is-okey-but-not-rice policy — in providing food aid to North Korea as its banner for the practice of humanitarianism.

We have not heard the government explain why blankets, socks, ramyon, and edible oil are acceptable while rice and cash are not. Maybe the idea stems from the assumption that it is easy to conceal who sends rice and cash, whereas it is hard, if not impossible, to detect where ramyon and edible oil come from. If true, this is no excuse for the government to meddle. The government has no grounds for calling the shots when the aid providers do not mind.

The real problem is that because of the government's ambiguous attitude, private groups are not sure whether their relief goods will be sent to North Korea. The government maintains that it will examine providing rice and other relief goods to North Korea if it accepts the proposed four-party talks. This keeps private agencies from providing assistance to North Korea. The ROK has ended up looking callous, when even underprivileged countries are out to help North Korea. The government must not only examine grain assistance to North Korea and find ways to provide grain, but allow private groups help North Korea without reservations.

ROK: Editorial: UN Call for DPRK Aid U.S. 'Detour Tactic'

SK2905084596 Seoul TONG-A ILBO in Korean 28 May 96 p 3

[Editorial: "The UN's Food Aid to North Korea"]

[FBIS Translated Text] It is rather surprising that the United Nations is eagerly soliciting aid for North Korea. Some people believe that the United States is using the United Nations as a detour tactic. Around the end of June, the United States and some 20 countries will hold in Geneva an international meeting on food aid for North Korea. The ROK is also invited. The objective of the meeting is somewhat suspicious.

North Korea's food shortage is reportedly so serious that it cannot be solved by aid from the World Food Program or a few countries. It is true that some countries are refraining from providing aid to North Korea considering North-South Korean relations. However, it is doubtful that holding an international meeting on food aid to North Korea is desirable at this point in view of the situation on the Korean peninsula.

Even though last year's flood is the direct cause of North Korea's food shortage, the basic problem is North Korea's economic policy. There is not enough equipment to recover from the flood damage, and there is not enough fuel to operate the equipment. An annual 2 million tonnes of grain shortage is inevitable even with bumper crops. As long as the failure of North Korea's agricultural policy continues, the food shortage will become more serious.

North Korea is refusing any contacts with the ROK Government. It is proposing a peace agreement with the United States, but refusing official dialogue with the ROK, which is the actual party concerned to any peace agreement. North Korea is taking every opportunity to openly make provocations in the DMZ. This is why the government is in a dilemma between the domestic and foreign countries public opinion and the international organizations' call for aid to North Korea.

At this point, it is unfair for the United States to use a detour strategy to approach North Korea. The ROK would be even more embarrassed if the United States asks the international community to provide aid for humanitarian reasons.

The United States should be more discrete in approaching North Korea. At least, it should present as a condition that North Korea accept the four-party talks. The United Nations should understand that North Korea's food shortage is due to structural problems before it sets up a separate agency to handle food aid for North Korea.

ROK: Yi Ki-mun Indicted for Election Law Violation

SK2905112696 Seoul YONHAP in English 0451 GMT 29 May 96

[FBIS Transcribed Text] Seoul, May 29 (YONHAP) — Lawmaker-elect Yi Ki-mun of the major opposition National Congress for New Politics was indicted without physical detention Wednesday on election law violation charges, the supreme public prosecutor's office disclosed.

Elected from Kyeyang-Kanghwa-A District, Inchon, Yi has been charged with electioneering before legally allowed and buying votes by distributing 46 million won to voters.

Yi is the sixth successful candidate in the April general elections who has been indicted for campaign violations.

Five others are Choe Uk-chol of the ruling New Korea Party (NKP), Kangnung-B: Kim Ho-il, NKP, Happo, Masan: and Kim Hwa-nam, Ind., Uisong, North Kyongsang Province: Kim Hyon-uk, United Liberal Democrats [ULD], Tangjin: and Pyon Ung-chon, ULD, Sosan-Taean.

The prosecution will soon indict without detention lawmaker-elect Kim Il-yun, NKP, Kyongju-A, who allegedly distributed more than 3 million won in gifts and money to voters.

Kim will be the seventh and last lawmaker-elect to be indicted for election fraud, according to prosecutors.

ROK: Minister Reports on International Deficit Payments

SK2905114296 Seoul YONHAP in English
0803 GMT 29 May 96

[FBIS Transcribed Text] Seoul, May 29 (YONHAP) — Finance-Economy Minister Na Ung-pae has told President Kim Yong-sam that the government will do all that it can to curtail the deficit in international payments, but will not depend on short-term, symptomatic recipes, but on mid- and long-term measures that will strengthen the export foundation and industrial constitution.

Na, also vice prime minister, presented the report at Chongwadae [presidential offices] Wednesday, insisting that if short-term and symptomatic methods were adopted, the basis of price stability would be harmed, and a soft landing of the nation's economy would hardly be available.

The recent expansion of international payment losses is primarily the result of declining price competitiveness of such leading export items as chips, steel and petrochemicals, Na explained, adding that the government will, therefore, try to diversify exports to ease the bottleneck situation.

He reported that the government will continue its infrastructure expansion on a long-term basis to strengthen export competitiveness and improve the current high cost-low efficiency structure of domestic companies.

Na said that there will be no artificial increase in foreign exchange or belt-tightening policies since the results would not be favorable. But the government plans to map out a strategy for controlling non-essential imports and inducing a spontaneous private sector consumption economy.

ROK: Seoul To Provide $1 Million Grant to Palestine

SK2905113996 Seoul YONHAP in English
0643 GMT 29 May 96

[FBIS Transcribed Text] Seoul, May 29 (YONHAP) — South Korea is going to provide a 1 million U.S. dollar grant to the Palestine autonomous authority this year to help the Palestinians proceed with development projects after they reach a peace agreement with the Israelis, a Foreign Ministry spokesman said Wednesday.

South Korea will also proceed with projects to help the Palestinians rehabilitate and reinforce infrastructure and train engineers and technicians, the spokesman said.

South Korea has promised a total of 4.57 million dollars in grants and 10 million dollars in economic development and cooperation fund (EDCF) to Palestine.

A South Korean delegation recently visited West Bank and Gaza strip to discuss ways to launch projects with Palestinian officials and how to assist their economic recovery.

Burma

Burma: KNU Statement on NLD Detentions, Train Explosion

BK2505114396 (Internet) BurmaNet News in English 23 May 96

[FBIS Transcribed Text] Statement on current developments in the Union of Burma;

With regard to the arrest of 115 more leaders of the NLD (National League for Democracy) beginning on 20th May, 1996, and news concerning the blowing-up of a Rangoon-Mandalay train on 21st May, 1996, near Kanyutkwin, the KNU [Karen National Union] has issued a statement as follows:

1. At a time when the situation urgently requires all the political forces involved in the affairs of the Union of Burma to resolve the basic political problems by political means through free and frank dialogue, the arrest of NLD leaders by the SLORC [State Law and Order Restoration Council], instead of engaging them in dialogue, is a negative development. This has raised the tension in the country and can lead to an uncontrollable situation. In order to prevent the situation deteriorating, it is necessary that the SLORC:

a. release unconditionally, the political leaders arrested recently and all political prisoners detained previously;

b. refrain from any further arrests of political leaders;

c. end the harassment of political parties and lift restrictions on their basic freedoms and activities;

d. meet with the NLD for dialogue at the earliest possible time.

2. The KNU was in no way connected with the blowing of a Rangoon-Mandalay train near Kanyutkwin as the KNU has stopped all military activities in SLORC-controlled areas since the commencement of dialogue with the SLORC. Allegations by the SLORC concerning KNU responsibility for the blowing-up of train are completely unfounded. Karen National Union, 23rd May, 1996

Burma: NCGUB Reports Death of NLD Representative

BK2505155596 Oslo Democratic Voice of Burma in Burmese 1430 GMT 25 May 96

[FBIS Translated Text] The NCGUB [National Coalition Government of the Union of Burma] has said in a statement that U Mya Hlaing, National League for Democracy [NLD] elected representative from Twante Township Constituency-2, has died while in custody. This brings to two the number of elected representatives who have died under SLORC's [State Law and Order Restoration Council] detention. The statement also said that a total of 69 political prisoners have died in detention up to December 1995.

Burma: Suu Kyi Pledges Greater Efforts by Party

BK2605121396 Melbourne Radio Australia in English 1100 GMT 26 May 96

[FBIS Transcribed Text] Burma's opposition leader, Aung San Suu Kyi, says her party will step up its efforts to bring about democratic rule. She told a meeting of her National League for Democracy [NLD] in Rangoon today that the party will hold a series of policy meetings in defiance of Burma's military junta. The military has detained at least 250 league members over the past week but the meeting went ahead without interruption. Ms. Suu Kyi says if the military government is genuine about helping the country they must call into immediate session, the parliament that was elected in 1990 in polls they still ignore. She says while the military ignores the will of the people it cannot annihilate the desire for democracy that has taken root in their hearts.

[Begin recording] All attempts to cast aside the results of the 1990 election are illegal and opposed to the will of the people and cannot benefit our country in any way. We cannot build the future of our country on a foundation of broken promises, insult to the people's elected representatives, and (?opposition) to the will of the people. [end recording]

Burma: NLD Steps Up Political Pressure for Democracy

BK2705115796 London BBC in Burmese to Burma 1345 GMT 26 May 96

[Aung San Suu Kyi's speech at opening of National League for Democracy Congress held in Rangoon, dated 26 May — recorded]

[FBIS Translated Text] Tomorrow will mark the sixth anniversary of the first democratic elections in Burma in 30 years. Those elections will be recorded in the annals of Burma's political history. The elections were a clear indication of the Burmese people's desire to substitute dictatorship with a democratic system.

However much they may try to ignore the results of the elections, they will not be able to annihilate the desire for democracy that has taken root in the hearts of our people. That is why, however many years may have passed, the importance of these elections will not diminish. The United Nation's resolutions on Burma have proved that the implementation of the results of the

1990 elections is not the responsibility of the Burmese people alone but the world also.

All attempts to cast aside the results of the 1990 elections are illegal and opposed to the will of the people and cannot benefit our country in any way. We cannot build the future of our country on a foundation of broken promises, insults to the people's elected representatives, and opposition to the will of the people.

If the authorities are really looking out for the country's benefit they should, as a first step, promptly call a parliamentary session with elected representatives of the 1990 elections to fulfill the desires of the people. The call for a parliamentary session will become more important if more time has elapsed after elections were held.

The strong desire of our people is to have a system that guarantees freedom and security. Freedom means basic human rights while security means the rule of law. That is why, only the democratic political system and administrative structure based firmly on human rights and the rule of law can fulfill the wishes of the majority.

Since the 1990 elections, the people of Burma have suffered greatly for lack of democratic rights. That is why the desire for democracy is stronger now than it was six years ago, and for that reason the National League for Democracy has decided to increase actions to fulfill the will of the people and to bring about national reconciliation.

Burma: SLORC Reportedly Arrests 261 NLD Members

BK2605171196 (Internet) BurmaNet News in English 24 May 96

[Report by All Burma Students' Democratic Front]

[FBIS Transcribed Text] The number of arrests has gone up to 261 as of this morning. Many people are NLD Youth Wing and other students. Yesterday U Mya Hlaing, NLD [National League for Democracy [NLD] MP from Twante, Rangoon Division died in custody. The reason and place of his death is not known yet.

Burma: Suu Kyi: Junta To Detain Some Supporters 'Indefinitely'

BK2805055296 Melbourne Radio Australia in English 0500 GMT 28 May 96

[FBIS Transcribed Text] Burma's opposition leader Aung San Suu Kyi says the military junta will detain some of her supporters indefinitely. She made the prediction at the end of the second day of the meeting of her National League for Democracy. Ms. Suu Kyi says 262 members are in detention, including many who would have been at the meeting. She says that, while the regime has not changed its demand for a role in future politics, the final decision will be made by the voters.

[Begin Suu Kyi recording] I think it has already been decided by the people that they do not want military dictatorship. That is certain, but what kind of role they would like the military to play, I think, that will also be decided by how the military behaves. [end recording]

Burma: NLD Party Demands Release of Political Prisoners

BK2805122596 Hong Kong AFP in English 1151 GMT 28 May 96

[FBIS Transcribed Text] Rangoon, May 28 (AFP) — Aung San Suu Kyi and her National League for Democracy (NLD) on Tuesday ended a congress by demanding Burma's military junta release all political prisoners.

The opposition leader also used the end of the three day meeting, marred by the detention of 262 NLD activists, to stake the party's claim as the true representative of the Burmese people.

Aung San Suu Kyi said the congress had adopted a wide range of policies on subjects ranging from the economy to a new constitution. But it also issued a resolution demanding the release of all political prisoners, including those people detained ahead of the congress.

At least 233 elected NLD representatives were among those detained in a military sweep in the days leading up to the start of the meetings, originally aimed at bringing them together to mark the sixth anniversary of the elections.

Party officials said that one NLD youth member has already been released, but that they believed that some 10 other activists had been charged under Burma's draconian security laws.

The opposition said however that the main message coming out of the three-day congress was an assertion that NLD candidates who won seats in the 1990 elections were the legitimate representatives of the people.

"Parliament should be supreme and ... must be made up only of the elected representatives of the people, she said. "We believe in an independent judiciary and also believe that the nation should be based on the agreement of all the people of the union," she said.

The military junta oversaw the 1990 polls, overwhelmingly won by the NLD, but ignored the results and now says that the terms of those elected has already expired.

"We regard the terms of the elected representatives as valid until such time that parliament has met and decided what their term of office is going to be," Aung San Suu Kyi said.

She added that the NLD was always prepared for dialogue with the military as long as contacts came without preconditions, and said the role of the armed forces in political life should be determined by the people.

Aung San Suu Kyi said that another key resolution adopted at the congress was for the formulation of an economic policy based on free market principles which would protect investors and businesses.

"We want to make sure there are equal opportunities under the law," she said. "If there is to be a real market economy it has to be open to everybody, not just to some who are privileged," she said.

The NLD congress raised the stakes in a political standoff with the junta, which has been playing out slowly since Aung San Suu Kyi's unexpected release from six years of house arrest last July.

Some 15,000 people flocked to Aung San Suu Kyi's house over the weekend to hear her speak and support the NLD's determination to push on with the meeting despite the detentions.

Aung San Suu Kyi also accused the military of "a deliberate move to strangle the NLD slowly to death," citing restrictions on party activities and a ban on new recruitment.

The official press carried reports of rallies by almost 100,000 people across the country "in support of development efforts and denouncing subversives."

Aung San Suu Kyi told reporters the rallies were organised by the authorities, and that their underlying messages were "awash with hatred and vindictiveness."

The authorities have responded to the opposition activities with insulting personal attacks on Aung San Suu Kyi, who has been characterised as a prostitute and maggot under the control of foreign governments.

A more conciliatory article in Monday's newspapers was dismissed out of hand by Aung San Suu Kyi, who said the official press had to be regarded with a "grain of salt."

The detentions of the NLD activists have been roundly condemned by many Western governments, particularly the United States, as well as some Asian countries such as South Korea and Japan.

Burma: ABSDF Calls For Release of Political Prisoners

BK2705140296 (Internet) BurmaNet News in English 26 May 96

[Statement of the ABSDF [All Burma Students' Democratic Front] on the Sixth Anniversary of 27 May 1990 General Election]

[FBIS Transcribed Text] To: Oppressed Burmese people, international friends and comrades in struggle.

Today marks the sixth anniversary of the victorious election, the first multi-party general election in the past thirty years in Burma.

In the summer of 1988, the Burmese military dictatorship bloodily suppressed peaceful demonstrations calling for democracy. Then on September 18, 1988, the military staged another bloody coup and changed its name to the State Law and Order Restoration Council (SLORC). Twenty months later, on May 27, 1990, the SLORC felt confident enough of its control to hold a multi-party general election. Prior to the election, however, opposition party leaders, students and other activists were systematically rounded up and sentenced by military tribunes without legal procedure. Actually, this election was held only after SLORC declared martial law and banned any gathering of more than five persons. Moreover, basic freedoms of assembly, speech, and press were severely curtailed during the campaign period.

However, Burmese people exercised their right to vote to unequivocally express their desire to end the military dictatorship. That is they voted overwhelmingly against the military regime and clearly voted for democracy. The Burmese people's obvious desire for and love of democracy was shown with great courage and unity in the election. With the election's decisiveness the people of Burma moved to another stage in the struggle for democracy.

Through the elections people gave mandate to the National League for Democracy (NLD) to lead them to democracy. Despite the clarity of the call, the SLORC not only failed to hand over power to the people's elected representatives, but also thoroughly ignored the result of the 1990 election. In addition to turn a blind eye to the will of the entire people, SLORC moved to further suppress the democracy movement by threats, harassment, and continuous arrests of elected representatives. In spite of repeated attempts to silence the opposition, the popular movement led by Daw Aung San Suu Kyi has continued with unwavering commitment, to implement the will of the entire people.

1990 elections is not the responsibility of the Burmese people alone but the world also.

All attempts to cast aside the results of the 1990 elections are illegal and opposed to the will of the people and cannot benefit our country in any way. We cannot build the future of our country on a foundation of broken promises, insults to the people's elected representatives, and opposition to the will of the people.

If the authorities are really looking out for the country's benefit they should, as a first step, promptly call a parliamentary session with elected representatives of the 1990 elections to fulfill the desires of the people. The call for a parliamentary session will become more important if more time has elapsed after elections were held.

The strong desire of our people is to have a system that guarantees freedom and security. Freedom means basic human rights while security means the rule of law. That is why, only the democratic political system and administrative structure based firmly on human rights and the rule of law can fulfill the wishes of the majority.

Since the 1990 elections, the people of Burma have suffered greatly for lack of democratic rights. That is why the desire for democracy is stronger now than it was six years ago, and for that reason the National League for Democracy has decided to increase actions to fulfill the will of the people and to bring about national reconciliation.

Burma: SLORC Reportedly Arrests 261 NLD Members

BK2605171196 (Internet) BurmaNet News in English 24 May 96

[Report by All Burma Students' Democratic Front]

[FBIS Transcribed Text] The number of arrests has gone up to 261 as of this morning. Many people are NLD Youth Wing and other students. Yesterday U Mya Hlaing, NLD [National League for Democracy [NLD] MP from Twante, Rangoon Division died in custody. The reason and place of his death is not known yet.

Burma: Suu Kyi: Junta To Detain Some Supporters 'Indefinitely'

BK2805055296 Melbourne Radio Australia in English 0500 GMT 28 May 96

[FBIS Transcribed Text] Burma's opposition leader Aung San Suu Kyi says the military junta will detain some of her supporters indefinitely. She made the prediction at the end of the second day of the meeting of her National League for Democracy. Ms. Suu Kyi says 262 members are in detention, including many who would have been at the meeting. She says that, while the regime has not changed its demand for a role in future politics, the final decision will be made by the voters.

[Begin Suu Kyi recording] I think it has already been decided by the people that they do not want military dictatorship. That is certain, but what kind of role they would like the military to play, I think, that will also be decided by how the military behaves. [end recording]

Burma: NLD Party Demands Release of Political Prisoners

BK2805122596 Hong Kong AFP in English 1151 GMT 28 May 96

[FBIS Transcribed Text] Rangoon, May 28 (AFP) — Aung San Suu Kyi and her National League for Democracy (NLD) on Tuesday ended a congress by demanding Burma's military junta release all political prisoners.

The opposition leader also used the end of the three day meeting, marred by the detention of 262 NLD activists, to stake the party's claim as the true representative of the Burmese people.

Aung San Suu Kyi said the congress had adopted a wide range of policies on subjects ranging from the economy to a new constitution. But it also issued a resolution demanding the release of all political prisoners, including those people detained ahead of the congress.

At least 233 elected NLD representatives were among those detained in a military sweep in the days leading up to the start of the meetings, originally aimed at bringing them together to mark the sixth anniversary of the elections.

Party officials said that one NLD youth member has already been released, but that they believed that some 10 other activists had been charged under Burma's draconian security laws.

The opposition said however that the main message coming out of the three-day congress was an assertion that NLD candidates who won seats in the 1990 elections were the legitimate representatives of the people.

"Parliament should be supreme and ... must be made up only of the elected representatives of the people, she said. "We believe in an independent judiciary and also believe that the nation should be based on the agreement of all the people of the union," she said.

The military junta oversaw the 1990 polls, overwhelmingly won by the NLD, but ignored the results and now says that the terms of those elected has already expired.

"We regard the terms of the elected representatives as valid until such time that parliament has met and decided what their term of office is going to be," Aung San Suu Kyi said.

She added that the NLD was always prepared for dialogue with the military as long as contacts came without preconditions, and said the role of the armed forces in political life should be determined by the people.

Aung San Suu Kyi said that another key resolution adopted at the congress was for the formulation of an economic policy based on free market principles which would protect investors and businesses.

"We want to make sure there are equal opportunities under the law," she said. "If there is to be a real market economy it has to be open to everybody, not just to some who are privileged," she said.

The NLD congress raised the stakes in a political standoff with the junta, which has been playing out slowly since Aung San Suu Kyi's unexpected release from six years of house arrest last July.

Some 15,000 people flocked to Aung San Suu Kyi's house over the weekend to hear her speak and support the NLD's determination to push on with the meeting despite the detentions.

Aung San Suu Kyi also accused the military of "a deliberate move to strangle the NLD slowly to death," citing restrictions on party activities and a ban on new recruitment.

The official press carried reports of rallies by almost 100,000 people across the country "in support of development efforts and denouncing subversives."

Aung San Suu Kyi told reporters the rallies were organised by the authorities, and that their underlying messages were "awash with hatred and vindictiveness."

The authorities have responded to the opposition activities with insulting personal attacks on Aung San Suu Kyi, who has been characterised as a prostitute and maggot under the control of foreign governments.

A more conciliatory article in Monday's newspapers was dismissed out of hand by Aung San Suu Kyi, who said the official press had to be regarded with a "grain of salt."

The detentions of the NLD activists have been roundly condemned by many Western governments, particularly the United States, as well as some Asian countries such as South Korea and Japan.

Burma: ABSDF Calls For Release of Political Prisoners

BK2705140296 (Internet) BurmaNet News in English 26 May 96

[Statement of the ABSDF [All Burma Students' Democratic Front] on the Sixth Anniversary of 27 May 1990 General Election]

[FBIS Transcribed Text] To: Oppressed Burmese people, international friends and comrades in struggle.

Today marks the sixth anniversary of the victorious election, the first multi-party general election in the past thirty years in Burma.

In the summer of 1988, the Burmese military dictatorship bloodily suppressed peaceful demonstrations calling for democracy. Then on September 18, 1988, the military staged another bloody coup and changed its name to the State Law and Order Restoration Council (SLORC). Twenty months later, on May 27, 1990, the SLORC felt confident enough of its control to hold a multi-party general election. Prior to the election, however, opposition party leaders, students and other activists were systematically rounded up and sentenced by military tribunes without legal procedure. Actually, this election was held only after SLORC declared martial law and banned any gathering of more than five persons. Moreover, basic freedoms of assembly, speech, and press were severely curtailed during the campaign period.

However, Burmese people exercised their right to vote to unequivocally express their desire to end the military dictatorship. That is they voted overwhelmingly against the military regime and clearly voted for democracy. The Burmese people's obvious desire for and love of democracy was shown with great courage and unity in the election. With the election's decisiveness the people of Burma moved to another stage in the struggle for democracy.

Through the elections people gave mandate to the National League for Democracy (NLD) to lead them to democracy. Despite the clarity of the call, the SLORC not only failed to hand over power to the people's elected representatives, but also thoroughly ignored the result of the 1990 election. In addition to turn a blind eye to the will of the entire people, SLORC moved to further suppress the democracy movement by threats, harassment, and continuous arrests of elected representatives. In spite of repeated attempts to silence the opposition, the popular movement led by Daw Aung San Suu Kyi has continued with unwavering commitment, to implement the will of the entire people.

While the SLORC side, clinging to the concept of military authority over the whole population, continues to push its own sham national convention in order to decree the leading role of the Tatmadaw (military) for the political future of Burma, against the will of people.

Without considering the people's wishes and with no way to benefit the people, it was obvious that the sham national convention could offer nothing to national solidarity. Realizing the futility of participation, the NLD decided to boycott the national convention on November 29, 1995.

For the six years following the election, SLORC simply ignored the election results, and pursued a policy of "divide and rule" to defeat all the armed ethnic groups by forcing them to submit to a temporary cease-fire agreement and to abandon their armed struggle. This maneuver serves to prolong the military dictatorship as well as to extinguish the national liberation struggle of the ethnic groups.

Despite their efforts to retain power by all means, without the support of the people, SLORC will one day collapse. The occasion of sixth anniversary of general elections reminds us of the principle that state power shall be held in the hands of peoples' representatives elected by the people.

We would like to urge the Burmese people, recalling the results of 1990 elections, to continue their struggle with harmony. Their goals must remain to abolish the military dictatorship, to transfer power to the people, to end the civil war, to restore genuine internal peace and to bring about true national reconciliation.

ABSDF also urges the Burmese people to continue the struggle in order to achieve the following aims:

(1) the unconditional release of all political prisoners including Min Ko Naing.

(2) the halt of the ongoing sham national convention.

(3) the abolition of all laws and practices not according with international legal standards. Central Committee ABSDF (DAWN GWIN) May 27, 1996.

Burma: Military Adopts Conciliatory Tone in Response to NLD

LD2805111596 Melbourne Radio Australia in English 0830 GMT 28 May 96

[FBIS Transcribed Text] Burma's military government has issued a conciliatory call for talks with opposition leader Aung San Suu Kyi, but with conditions. Departing for the first time from its usual vitriolic attacks on Ms Suu Kyi, the regime said it was, in theory, open to dialogue with the opposition. But the generals want Ms Suu Kyi to accept a role for the army in politics, and have warned against any attempt to pressure the military regime. The move comes as the opposition today winds up its first policy congress; a congress which sparked a mass detention of elected MPs.

Evan Williams reports from Rangoon:

[Begin recording] [Williams] Burma's state-run press usually rails against Suu Kyi and her supporters as anarchists bent on the destruction or recolonization of the country but, in a marked departure from that, the state-controlled Burmese language press has issued a new conciliatory tone from the SLORC [State Law and Order Restoration Council] regime. For the first time, addressing Daw Suu with respect, it says in theory the army welcomes the offer of dialogue but this has not been possible because it is not sure which way she wants to go. One way, it says, is to annihilate one of the parties, the other is to recognize the usefulness of all parties and the key to that, it says, is the army's participation in national politics. It says it is necessary for Suu Kyi to now declare which way she wants to go.

[Suu Kyi] We have always said that every group has a role to play in this country but what this role should be, it is for the people to decide.

[Williams] Daw Suu says she does not want preconditions for any talks and she is not going to tell the people to accept any government offer just yet.

[Suu Kyi] We are not going to say anything to the people until we know how sincere these gestures are. Don't forget that there have been other gestures, which came to nothing. For example, the 1990 general election, a big gesture, which has come to nothing so far.

[Williams] By demanding more from the army first, she may stall any real breakthrough but, at the same time, the military has only offered a new conciliatory tone. It has not offered any change in substance. It still wants her to accept a military role in politics as the bottom line in any negotiation. Until now, Suu Kyi is clearly unwilling to compromise and accept that, but does indicate room for future negotiations.

[Suu Kyi] I think it has already been decided by the people that they do not want military dictatorship. That is certain but what kind of role they would like the military to play, I think, that will also be decided by how the military behaves.

[Williams] The regime says, and possibly believes, it has to retain some political role because of what it called Burma's political immaturity. So it calls directly on Suu Kyi to reaffirm her earlier statement that everything, including the army's participation in politics, is still open to negotiation.

[Suu Kyi] Negotiation is the key word. Let's start with negotiation first. We say that everything is open in negotiation.

[Williams] But the SLORC is playing a double game of carrot and stick. It calls on Suu Kyi to practise self-criticism and warns those who use international and domestic pressure will keep Burma in long-term trouble. Separate articles are more strident, saying it is now time to annihilate and remove those criticizing the government. The regime's conciliatory tone may only be a temporary painkiller as well, for the momentum its recent mass arrest of NLD [National League for Democracy] representatives had sparked. Suu Kyi wants to see if they are serious about addressing. [sentence as heard] [end recording]

Burma: 'Thousands' Turn Out for Pro-Government Rallies

BK2905060096 Hong Kong AFP in English 0556 GMT 29 May 96

[FBIS Transcribed Text] RANGOON, May 29 (AFP) — Thousands of people turned out for a pro-government rally in a Rangoon suburb early Wednesday, a day after the Burmese opposition wrapped up a three-day pro-democracy meeting

More than 10,000 people turned up for the rally in a sports stadium in Thanlyin, south of Rangoon, to hear pro-government speeches and chant slogans against "revolutionary ideas," participants said.

The rally was off-limits to foreign journalists, but many participants said attendance at the meeting, one of a series across the country in the past few days, was obligatory for three members per household in the suburb.

The New Light of Myanmar reported Wednesday separate rallies of 40,000 and 36,000 people across the country "supporting nation building endeavors and denouncing destructionists."

The rallies are apparently in response to huge turnouts by supporters of opposition leader Aung San Suu Kyi this weekend and a key pro-democracy meeting of her National League for Democracy (NLD).

The last such rallies took place in November following the NLD's pullout from the National Convention, which is drafting a constitution guaranteeing the military a central role in future civilian governments.

Speeches at the rallies denounced Aung San Suu Kyi and the NLD as foreign lackeys working to destabilise the country.

Aung San Suu Kyi told reporters Tuesday that the rallies were all organised by the authorities, and said their messages were "awash with hatred and vindictiveness."

The rallies were also broadcast on television late Tuesday, and showed large numbers of people listening to speeches and mechanically chanting slogans, in sharp contrast to the enthusiastic cheers which greeted Aung San Suu Kyi and other NLD members over the weekend.

The NLD meeting to mark the sixth anniversary of abortive 1990 elections went ahead Sunday despite the detentions of some 262 NLD activists.

Aung San Suu Kyi said that so far only one person had been released and that reports suggested a number of NLD activists had already been charged under the country's draconian security laws.

Burma: Article Berates Suu Kyi for Anti-Pepsi Campaign

BK2705073496 Rangoon MYANMAR ALIN in Burmese 22 May 96 p 6

[Article by Byatti: "You Cannot Mix and Drink Democracy and Pepsi"]

[FBIS Translated Excerpt] Gradually the inner self and true character of a woman [referring to Aung San Suu Kyi] — who says in her high-pitched voice that she respects the people, regards the people as her parents, and will work from the forefront for the people — is becoming clearer, the way the whitewash on a tree trunk peels off.

The woman — who does not even use local pepper but craves foreign goods, who does not use Myanmar's [Burmese] currency but foreign exchange certificates, and who is also the mother of two mixed-race sons — is recklessly and impudently saying things that concern the affairs of Myanmar [Burma]. I have learned this from a radio station [referring to the BBC] that is providing a service to her.

In a loud and rude manner, she told the international community not to trade and invest in Myanmar and also told tourists not to visit. In a brazen manner, she also instigated the people by saying that democracy-loving people do not drink Pepsi. This act of instigation is to confuse people who do not have any information and to achieve political gain. The people, who first came to know about the Pepsi Company headquarters announcement that it will withdraw 40 percent of its investment from the Pepsi Company in Myanmar, use their chicaneries to exploit the situation. Some sick Myanmar people in the United States and England, who cannot afford to buy or who do not like Pepsi, also made loud noises that they do not drink Pepsi because of the democratic cause.

The instigation to boycott Pepsi started when these loud noises reached their counterparts in Myanmar. Actually, the withdrawal of a small investment by a big company like Pepsi, which has a yearly income of $30 billion, is not because of slander by the foreign media and lackeys in the country, nor because of pressure from democracy-loving students and consumers from the United States and England.

Father Jilama [name as transliterated], who takes care of more than 39,000 shares of the Maryknoll Fathers and Brothers religious organization and Missionary O'Barake [name as transliterated] of the Immaculate religious organization, caused some trouble at the Pepsi Company's annual shareholders' meeting. This incident was not related to politics; it was a shareholder problem commonly faced by a company in business.

The main Pepsi Company reduced its investment in Myanmar for this reason. The reduction of investment did not take place because of the interdependence between politics and economy. The action of the main Pepsi Company is not cutting off trade with Myanmar. The action taken by the main Pepsi Company is to sell its 40 percent shares and continue to sell needed supplies to the Myanmar Pepsi Company.

The BBC, while exploiting the situation, also broadcast reports implying that the students and people in Myanmar are boycotting Pepsi for a democratic cause. In other word, the BBC provided a service to spread agitation to the whole of Myanmar.

Whether or not the people boycott Pepsi can be proven by the scenes of daily distribution of Pepsi in small and big cars. They are spreading rumors, and these rumors can scare consumers. There was an incident in which a type of canned fish disappeared from the market because of rumors that somebody found a human finger inside a can. Moreover, people stopped eating at a well-known rice noodle shop due to rumors that the shop owner used eels from the cemetery to cook the curry that goes with the rice noodle. The sale of popular Coca-Cola was slowed down completely in the Middle East, where the majority of Muslims reside, when there were rumors that pig's blood had been mixed in Coca-Cola.

Now there are rumors about Pepsi that the mixture of seasoning powder and Pepsi can intoxicate a person or make that person unconscious. [passage omitted] These fabrications and efforts to scare people into not drinking Pepsi are praiseworthy.

Moreover, they say that university students bring seasoning powder to the university to mix and drink with Pepsi. They spread rumors that a mixture of seasoning powder and Pepsi is now used as a substitute for the Phensedyl cough mixture [which is consumed by drug addicts in Myanmar]. These rumors are designed to tarnish the name of Pepsi and to scare the shops selling Pepsi near the university. On one hand, they spread rumors; on the other hand, they make gains by political exploitation.

Actually, Pepsi is not Myanmar's staple food. Nobody is saying that you will not become a modern person if you do not drink Pepsi. It does not matter if there is no Pepsi. I once asked a family that works abroad and drinks Pepsi like water during vacation in Myanmar. They said they drink Pepsi instead of water and think it is good for the health and added that the people of Myanmar prefer the taste of Pepsi to Coca-Cola. Pepsi has its own customers, and I do not think it is good to destroy the business with its own patrons when a boycott of Pepsi will not affect the main Pepsi Company. I reality, it will only affect the small retail shop owners who sell Pepsi.

Because of that woman and her associates, not only Pepsi but a large number of people have also lost their businesses, especially people working in the construction business, which relies on foreign investment, and people with good earnings in the tourism industry. These people are ordinary people and middle-class entrepreneurs. They should know this fact. Anyway, the people of Myanmar now know very well that they cannot mix and drink democracy and Pepsi.

Burma: Editorial: We Must Prevent Fire Before It Breaks Out

BK2805140096 Rangoon THE NEW LIGHT OF MYANMAR in English 28 May 96 p 6

[Editorial: "Doers and Destroyers"]

[FBIS Transcribed Text] The State Law and Order Restoration Council is the Tatmadaw [Defense Services] which is a pivotal historic force. The Tatmadaw is a patriotic force born of the people including the peasants, workers, intelligentsia and intellectuals.

Having made sacrifices at all times in the interest of the people, the Tatmadaw will not disregard the interest of the people now or in the future. Beyond any doubt whatsoever, the Tatmadaw will steadfastly work in the public interest and defend it.

The events of the 1988 disturbances looked like the people were pushed to the brink of living hell. Because of a group that was bent on taking power by short cut, that much public property and lives were lost. That group acting in collusion with neocolonialists, turned traitor to the national cause. It spurned what could have been peacefully settled among nationals. Moreover, the disturbances turned very ugly. Conditions were such, the people faced the prospect of going through hell on earth. Even in cities, people of the same community would drag the poor out on groundless charges and brutally decapitate them. There was rampant looting and destruction of factories and workplaces. When it was imminent the atrocities would spread to bigger communities the colonialist groups and their minions happily looked on with satisfaction.

A naval task force of a foreign power, intent on boosting the strength of the group that would allow Myanmar [Burma] to be manipulated to heart's content on taking power by short cut entered Myanmar territorial waters.

As the saying "wild cats jump for joy in the wake of a forest fire" goes, the BCP [Burma Communist Party] armed group in the jungle took advantage of the complicated situation to win victory, attacked the Mongyang region in large numbers. Similarly, the KNU [Karen National Union] launched an offensive on Methawaw and recaptured it, thus making capital out of the situation.

As it was apparent Myanmar faced the threat of losing her independence, arriving at an awful crossroads, the Tatmadaw, which had always stood by and defended the people, could not look on with arms folded and had to assume the duties of State.

Since its advent and until now, the State Law and Order Restoration Council had been engaged in all round reconstruction of the State, specially reconsolidating national unity as it lay like a bundle of bamboos united, forging mutual love and regard and cooperation resulting in specially satisfactory outcome. Having thus engaged in the good work with true goodwill and correct attitude, the National Convention was held with the participation of the people of all strata for the emergence of a new State Constitution. Much headway has been made.

After the new constitution is written, the people will be able to enjoy true democracy.

Just as we begin to see is good momentum on the political, economic and social fronts an above ground destruction group has reared its head again. That this group is being applauded by colonialist circle which enslaved Myanmar at one time is itself a despicable act. Be that as it may, we must prevent a fire before it breaks out.

Burma: Editorial: Anti-SLORC Forces 'Maggots in the Flesh'

BK2805140596 Rangoon THE NEW LIGHT OF MYANMAR in English 27 May 96 p 6

[Editorial: "Maggots in the Flesh"]

[FBIS Transcribed Text] When we were ruled by the last kings of the Konbaung Dynasty, those among the court circles flirted with foreigners and got taken in, with the result that those maggots in the flesh connived and colluded with the aliens and saw to the end of the monarchy and enslavement of the entire nation for over a hundred years.

If we do not learn from the past and beware of the maggots that are active today, the nation will suffer another disaster that will take a long time to mend, much less heal, and we will be responsible for the shackling that the new generations will suffer as a result of our folly.

Today, colonialists do not necessarily invade a nation or plant their banner on another's land. They use maggots that can eat away into the flesh. They rule by proxy.

These days when we witness a great deal of development with the people, the government and the Tatmadaw [Defense Services] working harmoniously together, in peace and tranquillity, and the path ahead is being cleared for the kind of multi-party democracy that will be written into the new State constitution, with basic principles already laid down by the National Convention, the promise of a good future is to be clearly seen.

In a changing world where there is much political power play by those with selfish interests, by those bent on dictating to other nations, we have to be careful not to be fooled into swallowing the sugar-coated sinister pill.

Who is behind who? Who is trying to dictate to others most vehemently? Which are the voices trying to intimidate us, pressure us into believing they might succeed? Which are the nations behind the concoctions that are being voiced over the airwaves?

These and other pertinent questions must be asked to bring out the truth behind moves to oppose the State Law and Order Restoration Council [SLORC] and the dirty designs that bode ill for the nation.

Add to all this the latest warning that the Secretary-1 has offered to all citizens through the Mandalay Hall fund-raiser yesterday: Let not the bait obscure the hook.

If those who connive with the colonialists believe they can pull the wool over the eyes of the public, they are terribly mistaken, for today is not 1988. For today, with development gaining momentum, the vast majority of us realize what it could be to suffer a relapse into uncertainty, with maggots busying themselves.

We hasten to repeat: Don't let the bait obscure the hook. It is quite transparent.

Burma: SLORC Orders Khun Sa's Associates To Halt Logging

BK2905032296 Bangkok BANGKOK POST in English 29 May 96 p 2

[Unattributed report]

[FBIS Transcribed Text] Mae Hong Son — The Burmese government has ordered associates of drug warlord Khun Sa to cease logging operations in Ho Mong, according to a source in the Mong Tai Army [MTA].

The SLORC [State Law and Order Restoration Council] has also told them to stop trading in lumber directly with Thai businessmen, the source said.

SLORC Second Secretary General Gen. Tin Oo and Trade Minister Lt. Gen. Tun Kyi visited the former MTA headquarters on May 21-24, a source in Ho Mong said.

After talks with Khun Sa's son Chao Cham Huang, they ordered MTA members to wind up their logging business.

The Burmese junta is thought to have formed the view that it had not getting any benefit from the sale of logs by MTA people to Thai merchants.

They must sell all existing logs to the Burmese government.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Thai Prime Minister Arrives for State Visit

BK2905090296 Kuala Lumpur Voice of Malaysia in English 0800 GMT 29 May 96

[FBIS Transcribed Text] Thai Prime Minister Banhan Sinlapa-archa arrived today for a two-day official visit to Malsysia to strengthen bilateral ties and promote economic cooperation.

Banhan was accompanied by a 60-member delegation that include Deputy Prime Minister and Foreign Minister Amnuai Wirawan, Labor and Social Welfare Minister Prasong Bunphong, senior government officials, and businessmen.

Banhan and his wife are scheduled to have an audience with the King [paramount ruler] and Queen at the Istana Negara [state palace].

The Thai leader will also visit the working site of the Malaysia-Thailand Joint Authority, MTJA.

Tonight, Banhan will attend a dinner hosted by Prime Minister Datuk Sri Dr. Mahathir Mohamed at Sri Perdana [prime minister's residence].

The two prime ministers will witness the signing of two memoranda of understanding on the sale and purchase of natural gas from the Malaysia-Thailand Joint Development Area, MTJDA, its production sharing contractors and buyers of the gas.

Malaysia: Daily on Commitment to Bosnian Peace Implementation

BK2805133696 Kuala Lumpur NEW STRAITS TIMES in English 25 May 96 p 12

[Editorial: "Arming the Peace"]

[FBIS Transcribed Text] Politics and international diplomacy are well-enough known for their strange bedfellows. But the ones brought together by Bosnia's plight proves that diverse nations need not be purely motivated by mutually back-scratching alliances. When their objectives go far beyond narrow national self-interest, two nations as opposed to each other as the United States and Iran have been able to see eye-to-eye at least unofficially. The architect of the Dayton accords, Richard Holbrook, has revealed just how critical the arms pipeline through Iran had been in rescuing Bosnia from the rebel Serb forces. Without the supplies, the military outcome that eventually induced the Serbs to sign at Dayton would not have been achieved, and all of Bosnia would now most likely be in Serb hands.

The U.S. Administration has discreetly acknowledged the parts played by what the American press called its Islamic "allies" — particularly Malaysia, Pakistan and Saudi Arabia — in both the official peacekeeping effort (which ended with the toothless protection of the United Nations in UNPROFOR [United Nations Protection Force] as well as the largely undisclosed measures to get round the international community's endless dithering. The U.S., after staying clear for as long as it could, deserves credit for overcoming domestic opposition and doing the right thing in the end. In a bilateral relationship that leaves something to be desired from the individual perspective of either side, the U.S. and this country find little to disagree over in Bosnia.

No longer hamstrung by its European allies' over an embargo designed to contain the Balkan troubles, Washington is no longer inhibited from taking the lead. Although the participation of American troops is limited to a year, Washington has done most to make sure that Bosnia's fragile peace does not fall through the loopholes of the Dayton accords and the reluctance of the Implementation Force's [IFOR] other main members. The U.S. Government is not alone in fearing for Bosnia's safety after IFOR. Too many promises are there to be broken — signed pledges are insufficient incentive for a negotiated peace hold firm. Just as the Dayton agreements themselves had been brokered between positions of relative strength, so will the future of Bosnia depend on its ability to hold its own ground. In an unqualified meeting of minds, Washington and Kuala Lumpur have jointly committed themselves to the task of equipping Bosnia with the means to ensure its own survival. This commitment is enhanced by both countries' desire to make sure that the cost, energy and moral force of their intervention do not go to waste by neglect. Many multilateral salvage operation have been undone by leaving the still-unstable countries to their own fates too soon.

Yet, there are enough dissenting voices urging restraint and a slow fallback to the safe ground of noninterference. In spite of all the loose ends, all the evidence of the precariousness of the situation, there are still enough gaps in the NATO consensus on IFOR to put Bosnia at risk, even now, in the middle of the IFOR mandate. NATO's urge to pull its punches has deterred rather that helped Bosnia regain its feet. In the two issues most central to the new country's future — the movements of more than two million refugees and the custody of indicted war criminals — the NATO allies have chosen to stand back. As long as neither is resolved, Bosnia will continue to seethe in ethnic discontent, and wait for the next opportunity to relapse.

Malaysia Considers Becoming Donor Country for ADB Funds

96SE0078A Kuala Lumpur BERITA HARIAN in Malay 1 May 96 Internet p 0

[FBIS Translated Text] Malaysia may become a donor country for the funds of the Asian Development Bank (ADB), since the Malaysian economy is among the most successful in this region.

According to Tan Sri Clifford Herbert, chief secretary of the Ministry of Finance, Malaysia is now considering the possibility of contributing to the Asian Development Fund (ADF), one of the three special funds managed by the ADB.

"Malaysia has now reached quite a high level of development. We are now among the most successful countries in this region. In addition, we have a social responsibility to help other countries," Herbert told reporters after attending the inauguration of the 29th annual conference of ADB governors by Philippine President Fidel Ramos in Manila yesterday.

The Malaysian delegation to the conference was led by Deputy Prime Minister Datuk Seri Anwar Ibrahim.

ADB member countries, which now number 56, are holding talks on replenishing the ADF with injections targeted at about $6 billion (15 billion ringgit) in new money from donor countries over the next three years.

The ADF, which now has $1.5 billion (3.75 billion ringgit), is said to need new injections in order to continue making loans to recipient countries, most of which are the poor countries of Asia.

If it does not receive new injections, its present funds, amounting to $1.5 billion (3.75 billion ringgit), reportedly will last only until the beginning of next year.

There are now 22 ADF donor countries: the United States, Austria, Belgium, Canada, France, Germany, Nauru, Spain, Switzerland, Turkey, Britain, Australia, Denmark, Finland, Hong Kong, Japan, South Korea, the Netherlands, New Zealand, Norway, Sweden, and Taiwan.

Recipients are countries with low gross national product and limited ability to repay loans. So far, recipient countries are Bangladesh, Indonesia, Myanmar [Burma], Nepal, Pakistan, the Philippines, and Sri Lanka.

ADF loans are given for social development projects on a concession basis, with service payments of 1 percent per year over a repayment period of 35-40 years and a grace period of 10 years.

As preparation for becoming a donor country, Malaysia has begun to attend meetings of ADF donors as an observer. The most recent meeting was held in Manila last Sunday.

According to Herbert, the government's decision on contributing to the ADF depends on the results of talks being held among donor countries throughout this year.

"We believe it is important for more developed Asian countries to help poor countries. Malaysia is now considering the best way to offer that help," he said.

Before making a decision, Malaysia wants to observe the talks that are being held, primarily to see what action other ASEAN countries and Western countries take in the ADF talks, Herbert said.

Herbert said that at the three-day ADB governors meeting, which began yesterday, Anwar will emphasize how important it is that specific conditions, such as standard state administration or environmental practices, are not imposed by donor countries.

"The ADB needs to be more sensitive to the needs of these poor countries, and donors also must not impose conditions on their contributions.

"They need to realize that these poor countries need help and that it is only with help that they will be able to raise their level of responsibility and state administration," he said.

Herbert said that Malaysia is sympathetic to the need to give help to these countries, and because of that, Malaysia, which has been an ADB member since 1966, is now considering becoming a donor.

Malaysia has received ADB help but has not been qualified to receive aid under the ADF. Although it has not contributed to the ADF, Malaysia has made contributions to meet technical and training needs.

Malaysia: Mahathir Denies Deputy Premier Resignation Reports

BK2505102196 Kuala Lumpur THE STAR in English 25 May 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Prime Minister Datuk Sri Dr. Mahathir Mohamed dismissed rumours about Datuk Sri Anwar Ibrahim resigning as his deputy. He said many people were very unhappy that Malaysia is stable and that the rumour mongers only wished for a rift among the leaders. Dr. Mahathir was commenting on wire reports of rumours that Anwar had tendered his resignation. Asked whether he was making reference to foreigners or locals, Dr. Mahathir replied: "Foreigners first but sometimes local (people) are infected. They also want some news." "I would like to put that person inside a lunatic asylum. He must have something wrong inside," he added, referring to those who spread the rumours. When asked about rumours of a possible Cabinet reshuffle, Dr. Mahathir said a foreign wire service was the one "initiating the reshuffle." "They know more about my Cabinet because they are the ones who initiated Cabinet reshuffling."

Malaysia: Islamic Party Tells Ally To Quit Unity Front

BK2905100996 Kuala Lumpur THE STAR in English 29 May 96

[Report by Nick Leong — received via Internet]

[FBIS Transcribed Text] Kota Baru — Mentri Besar [chief minister] Datuk Nik Aziz Nik Mat wants Parti Melayu Semangat 46 [Malay Party of the Spirit of 46] to leave the Kelantan Government immediately instead of asking PAS [Pan Malaysian Islamic Party] to kick it out. The Kelantan PAS commissioner said it was no secret that Semangat wanted to leave the Angkatan Perpaduan Ummah (APU) [Islamic Unity Front]. "We only hope it will leave on its own accord, instead of asking us to kick it out.

"Don't try to make the situation look as if PAS kicked Semangat out when it is the party which wants to leave," he told newsmen after opening the state Scout Jamboree at Kem [camp] Kijang, near here yesterday. He was commenting on the statement by Kelantan Barisan Nasional [National Front] chairman Datuk Annuar Musa that he had met the state Semangat liaison chief Datuk Rozali Isohak to discuss co-operation between Umno [United Malays National Organization] and Semangat.

Nik Aziz said he was still angry with Rozali for making damaging statements about the state government recently although Rozali had apologised for his actions. "He seems to blame others for his actions, saying he was pressured into doing this or that, but we are adults," he added.

When contacted, Rozali said the meeting with Annuar was not planned because they only met briefly at the airport.

He said the meeting was more like "a chat between friends" because he did not have the party's mandate to discuss plans to rejoin Umno.

"The Mentri Besar should not be angry about such matters. It is common for political leaders to meet," he said.

Rozali, who is Deputy Mentri Besar II [Roman two], said the party did not have any plans to leave APU yet.

"The mandate is for APU to rule the state, not PAS. And PAS has to remember this fact," he added.

Cambodia

Cambodia: 'Commentary' Urges Unity Under Sihanouk's Leadership

BK2505132896 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 24 May 96

["Political Commentary": "We Resolve To Follow the King Father Until the End of Our Lives"]

[FBIS Translated Text] National Assembly Chairman Samdech Chea Sim and three other personages travelled to Beijing in the PRC on 24 May to see His Majesty, who is staying there for a medical checkup. On this auspicious occasion, Samdech Chea Sim and the personages will inform His Majesty about the Cambodian people countrywide, who miss the sacred king, and about the current situation in Cambodia.

In his 19 May message to Samdech Chea Sim, the king father and king grandfather said he wishes to warmly welcome the samdech to stay at his Beijing Palace along with the three personages who will accompany the samdech.

The event is testimony to the unswerving support, under all circumstances, of the National Assembly, the Royal Government of Cambodia [RGC], and our people throughout the country for the august royal position of His Majesty as the sacred king and head of state of the Kingdom of Cambodia.

In fact, our people, our National Assembly, and the entire RGC have continued to firmly support, and will ever support, the august leadership of His Majesty, the sacred king.

The Kingdom of Cambodia is immensely lucky to have been endowed with a heroic king, who has saved the country, nation, and people from darkness. His Majesty has kindly led all of us along a path along which the entire people have lived happily under his most cool shade, which was lost for over 20 years. Therefore, there is no better way than to further support the leadership of His Majesty King Norodom Sihanouk Varaman of the Kingdom of Cambodia.

Our nation has advanced firmly along the path of real development because the RGC has considered the agricultural and tourist sectors as the basis for the development of the country and has implemented a correct policy toward bringing the RGC's slogan "The people are rich ahead of the state" to success through developing rural areas and promoting agriculture. Moreover, our RGC has also been courageous in surmounting all manner of difficulties and complicated problems to accelerate the military, police, administrative, and educational reforms with a view to creating new potentiality and new speed to successfully move Cambodia along the path.

The fine results we have achieved depend, however, on our knowledge of how to unite under the august leadership of His Majesty Norodom Sihanouk, our sacred king, and the direct leadership of the RGC.

So far, the principle of national union and national reconciliation still stays as a determining factor deciding the survival of our nation and a weapon that protects stability and safety in the country as well as an indispensable factor for ensuring national development.

The two major parties, namely, the Cambodian People's Party [CPP] and FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party, which are allies, have played a core role and as a model and a force in uniting and reconciling the nation. This has been done with the spirit of understanding and fine cooperation in order to manage and lead the state, the society, and the (?national economy) in accordance with the Constitution and the effective state law and to protect and ensure that our unfledged liberal multiparty democratic system be implemented correctly.

Based on a consideration of the interests of the nation and people above all, the leaders of the two major parties have firmly joined hands and united so as to deny an opportunity to, or disallow, any individual — even if he is one of their members — to create a cloudburst or act improperly to break or shake the national construction plan and the national interests.

All of us have no other choice than to unite. At this difficulty and complicated time [words indistinct] we should share weal and woe with one another, trust and understand one another, join one another shoulder to shoulder, and unite to advance under the most cool shade of His Majesty at all times.

It is in this sense that our people, through National Assembly Chairman Samdech Chea Sim and the three personages, would like to wish the father of national unification the best of health and a quick recovery from his illness at the hands of the Chinese doctors so that he can soon return as the shade for his children in the motherland. May God protect His Majesty the king and Her Majesty the queen so that they have a long life and can stay as the most cool shade for the motherland of Angkor.

Cambodia: Radio Reviews Current Political, Investment Situation

BK2705042796 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 25 May 96

[Commentary: "Experience That Is Our Lesson"]

[FBIS Translated Text] Lately it has been noticed in our country that there seems to be a concerted and systematic campaign against the Kingdom of Cambodia's legitimate Royal Government.

Extremist and pro-Khmer Rouge groups have used their propaganda machinery to slander and falsify the real situation aimed at diminishing the prestige of the Royal Government and the Cambodian people. The biggest goal is to create a tense situation that leads to the hindering of the country's rehabilitation and development through efforts to create mistrust among some public personalities who are not well aware of the truth in the Kingdom of Cambodia. More serious still, not satisfied with their slander inside the country, these evil groups have spent money traveling abroad to enlist foreigners to help them in their slander against the Royal Government abroad. Such mean persons have made efforts to raise the issue of human rights in Cambodia and to make people believe that the Royal Government is trampling on the human rights situation and democracy in the country. The outlawed Khmer Rouge has also echoed this from outside.

Using many fabricated stories, Khieu Samphan, the nominal Khmer Rouge leader, has sent successive messages to the king in Beijing, urging our august father not to return to his children inside the country; however, the revered father of national reconciliation has rejected this each time.

The recent concerted efforts by forces inside and outside the country are like throwing salt into the sea. Money has been wasted; nothing has been achieved. Being abnormal human beings, however, these persons will certainly not remain idle. When opportunities arise, they will use more tricks to cause political instability and move toward toppling the Royal Government that was born out of free elections in Cambodia.

In the country's noble interests — political stability being our primary need — all our activities should not fall into the trap of the outlawed Khmer Rouge, which is trying by every means to split the Royal Government from the king through demands calling for power to be given to the king. This is contrary to the Constitution's Article 7. The Khmer Rouge also raised the victory and defeat in the 1993 election to fuel conflict among some people's political will. This is a trick used by the outlawed Khmer Rouge to incite a rift, which will enable the Khmer Rouge to return to power and kill our people in the end.

Political stability is also linked to investment. If our political situation is not stable, local and foreign investors will withdraw their money. They will not bring in more investment if they cannot withdraw what they have already invested. Those who plan to invest will take their money to neighboring countries. All this will slow down the country's rehabilitation and development and will enable bad elements to use it in their propaganda to accuse the Royal Government of incompetence. In the end, our people's living standard cannot be improved.

Our economic potential is not bad at present; it is favorable to major investors. Although some negative aspects still exist, they are not the key to the issue. If we can firmly ensure political stability, investors will continue to do business, and the country's rehabilitation and development and improving the people's living standard will not be hindered.

The real situation in the past has provided us experience and is a lesson for us for the future.

Cambodia: Khmer Rouge Urges King Not To Return

BK2505100196 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 24 May 9

[Unattributed commentary]

[FBIS Translated Text] It is reported that the king will return to Phnom Penh next week. The monarch said in a message to Ranariddh that he would continue to stay overseas for several more months. The king has however been rounded up and lured by communist Vietnam and the alliance to return to Phnom Penh.

Learning of this news, the masses in general ask: What can his majesty do after his return since the communist Vietnamese puppets, who are so dictatorial and fascist, have already killed FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and Buddhist Liberal Democratic Party of Grandfather Son Sann at will? What can the king do since the communist Vietnamese puppets continue to wage war, to be so corrupt, to smuggle opium, and to allow the Vietnamese to enter the country at will? The communist Vietnamese puppets have also killed journalists one after the other with at will.

While communist Vietnam and its puppets carried out all those acts, his majesty, who was still staying in the country, dared not say a world about it. If the king had said anything, they would have said that the monarch was staging a coup d'etat against the Constitution.

As for the West and Ranariddh, they did not dare not say anything either. They are afraid of communist Vietnam and the puppet Hun Sen as a dog is scared of a tiger.

People in and outside the country are wondering whether his majesty will return to Phnom Penh, since the situation is deteriorating and since communist Vietnam and its puppets continue to threaten, intimidate, (?peel the facial skin off), and accuse people of this or that with all kinds of pretexts just as they please.

Communist Vietnam wants the two-headed regime to remain. Why? Because if only the head of the black-toothed communist Vietnamese's puppets is left, they will all die. This being the case, communist Vietnam and its puppets have rounded up and lured the king to return. People, however, say that should his majesty return, he will certainly be summarily executed.

Some political analysts say it is not yet certain whether his majesty will return because the monarch has experienced bitterness and sourness several times already. Some people say that regardless of whether or not his majesty returns, nothing can be solved.

As always, communist Vietnam and its out-and-out lackeys have put pressure on his majesty and patriots until the latter's tongues all hang out. While national reconciliation still cannot be achieved, the communist Vietnamese war of aggression is still going on. FUNCINPEC members are being killed one after the other, and the ruling monarch has been followed secretly by communist Vietnam's covered agents, soldiers, and policemen, who are posted everywhere in the Royal Palace, including in the toilet, the bedroom, the dining room, underneath the bed, and so on. While his majesty is away, communist Vietnam's expert secret agents, who have received training from the KGB, have already planted gadgets to eavesdrop on him.

Some analysts say the aforementioned opinions are correct and reasonable because his majesty, who has stayed in their cage for three years already, has been useless. Now, his majesty will come and remain in their grip again.

Despite being the first prime minister, this guy Ranariddh remains (?docilely) in the cage of Hun Sen and his wife, who are both epileptics. Hun Sen has now become King Ang Nen Ang Sen, and his wife continues to blatantly tread on other people. Therefore, if his majesty comes, he will inevitably suffer more seriously than in the three years before. Moreover, this time, his majesty's journey will depend on them completely. Some analysts add that if his majesty comes, he will certainly die; he will be finished politically. Some others say not only will his majesty be terminated politically, but he will also be finished physically.

Communist Vietnam is never afraid to stage-manage a farce to bark out accusations against his majesty as it did to Prince Sirivut. It will allege that weapons have been found here and there so as to arrest, detain, and force someone to answer that it is his majesty, who has ordered that forces be organized in this or that way for the purpose of staging a coup d'etat. It will then commands its tribunal to hand down a sentence accordingly.

Some other analysts say that while they are not soothsayers, they have clearly seen that after Cambodia has been invaded by communist Vietnam for 17 years, and later by UNTAC [UN Transitional Authority in Cambodia] and the alliance for three years, it appears that Cambodians, the king, FUNCINPEC, ANKI [National Army of Independent Cambodia], and Grandfather Son Sann's party have all become as naught. Nevertheless, although as nothing, they can be restored from zero to one, two, ten, twenty, thirty, or forty if his majesty does not return. They will remain zero over zero if his majesty comes, however.

The entire Cambodian nation and people have had more than enough of communist Vietnam and its puppets, the alliance, and the gangster Hun Sen, who is communist Vietnam's out-and-out lackey. For this reason, the Cambodian nation and people would like to request that Your Majesty abstain from returning to Phnom Penh. If Your Majesty comes, Your Majesty will inevitably be killed politically and physically. But if Your Majesty insists, it is up to Your Majesty.

Cambodia: Khmer Rouge Radio Denies Khieu Samphan in Beijing

BK2905021796 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 28 May 96

[FBIS Translated Text] The Voice of America [VOA], in its report read by Chun Sakkada on the night of 28 May, claimed that Khieu Samphan went to Beijing on 27 May to meet with His Majesty King Samdech Norodom Sihanouk. The Radio of the Provisional Government of National Union and National Salvation [PGNUNS] would like to issue a complete denial to this VOA allegation.

We know that not a single person in the country and abroad thinks Khieu Samphan has gone to Beijing. Why then did VOA create such a blatant and deliberate ballyhoo?

People with insight instinctively understand that this VOA report had an evil political intent. The U.S. radio normally broadcasts only bad news to the Cambodian nation, people, and patriotic resistance forces. Now again, with a sinister and repugnant intention, the VOA has spread this very bad news in order to confuse both the national and international publics.

[dated] 29 May 1996

[signed] PGNUNS Radio

Indonesia

Indonesia: Alatas Criticizes U.S. 'Misunderstanding' of ASEAN

BK2905061796 Hong Kong AFP in English 0612 GMT 29 May 96

[FBIS Transcribed Text] JAKARTA, May 29 (AFP) — US criticism of the effectiveness of the ASEAN Regional Forum (ARF) lays bare Washington's "misunderstanding" of the organisation, Indonesian Foreign Minister Ali Alatas told AFP Wednesday [29 May].

"This kind of comments show a misunderstanding of what ARF is and what it can do," Alatas said in an interview, adding the forum was "not a body to solve these problems."

"These comments (are) a little bit unnecessary and do not show a real understanding of what this body is doing and what it can do," he said.

Alatas, without naming the United States directly, made the comments after US administration officials, especially in the Pentagon, said ARF was impotent for dealing with regional crises such as the standoff between China and Taiwan and the crisis gripping the Korean peninsula.

ARF's silence on the Burmese junta's crackdown on the pro-democracy movement has also drawn criticism abroad.

Set up in 1993, ARF comprises the seven members of ASEAN — Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam — and Australia, Canada, the European Union, Japan, New Zealand, South Korea and the United States.

Burma and India were cleared to join the club at a meeting in Indonesia on May 10.

"At this stage, ARF is a forum to share view and progress towards a greater comprehension," Alatas said.

Pointing to the Taiwan-China crisis, in which China carried out missile firing and military manoeuvres in the Taiwan Strait ahead of the Taiwanese presidential elections in March, Alatas said: "How can you expect a body just created to solve any of this?"

Some US analysts of US geopolitics have suggested that the United States push for the creation of a different regional group to address defence issues in Asia.

Indonesia: Suharto Explains Political System to President of Burkina Faso

BK2905031196 Jakarta KOMPAS in English 29 May 96

[Unattributed report — received via Internet]

[FBIS Transcribed Excerpt] Jakarta, KOMPAS Online — President Suharto told Blaise Compaore, president of Burkina Faso, that under Indonesian law a president could not dismiss the parliament nor could the parliament overthrow the president.

If the president detected violations of the Constitution or the state-guidelines (GBHN), the parliament could request the General Assembly hold a special assembly session and demand the president's responsibility, Indonesian Secretary of State Murdiono told journalists on Tuesday (28 May) after Presidents of both Burkina Faso and Indonesia witnessed the signing of the Economic and Technical Cooperation Agreement between Indonesia's minister of foreign affairs, Ali Alatas, and the Burkina Faso's minister of foreign affairs, Ablasse Ouedraogo. [passage omitted]

During the meeting between the two heads of state, Suharto explained the Indonesian system of government and the role of the parliament in carrying out the state guidelines.

President Suharto stressed that all Indonesians adhere to the present system based on the 1945 Constitution. This system, said the president, ensures stability which is crucial in Indonesia's development priorities.

Murdiono said President Suharto also took the opportunity to shed light on the East Timor issue and the president of Burkina Faso understood Indonesia's position.

The discussions between the two leaders were largely focused on bilateral issues, in particular economic cooperation between the two parties. They both agreed to send an Indonesian team to Burkina Faso to look at further opportunities for economic cooperation. This team would comprise of personnel from the Department of Trade Industry, and Agriculture as well as members of the business community.

The president said he felt sure his country could learn much from Indonesia. Burkina Faso is a land-locked country and, although there are numerous reservoirs, the fishing industry has yet to be developed. Indonesia has also committed to sending a certain type of seedling to Burkina Faso.

Cooperation in the textile industry was also discussed. To date, Indonesia has imported cotton from Burkina Faso to the value of US$ 950 million. Now there is the possibility Indonesia will invest in the region enabling the production and consequent import of cotton thread from Burkina Faso.

There was also talk of cooperation in the field of tourism, aircraft development and telecommunications. Burkina Faso is currently in need of aircraft. According to Murdiono, one way of facilitating this need is to approach the Islamic Development Bank for credit. If Burkina Faso obtains credit then the two countries will be helped at once: Indonesia in the selling capacity and as they buyer Burkina Faso, said Murdiono. [sentence as received]

If the credit request from the Islamic Development Bank is rejected, then the a cotton-aircraft trade-off is possible, said Murdiono. This step would be one means to alleviate Burkina Faso's financial constraints.

Indonesia: Alatas Says Rangoon Detentions 'Internal Affair'

BK2905064396 Hong Kong AFP in English 0628 GMT 29 May 96

[FBIS Transcribed Text] JAKARTA, May 29 (AFP) — The detention of more than 200 democracy activists in Burma is "an internal affair," Indonesian foreign minister Ali Alatas told AFP Wednesday [29 May], adding he held "no value-judgement about what is going on."

"We are not making any comment on the internal situation in any country," said Alatas, on the margin of the opening of an international seminar on humanitarian law.

"This is a principle we stick to religiously, even as we would not want any foreign country to intervene in our internal affairs," said Alatas, whose country holds the presidency of the Association of Southeast Asian Nations (ASEAN).

"What is going on in Burma is an internal affair and we hope they can overcome it," he added.

Burma's ruling State Law and Order Council (SLORC) began a crackdown on members of the opposition National League for Democracy (NLD) ahead of the sixth anniversary of the 1990 elections won by the NLD. The junta had refused to relinquish power.

The detentions have aroused international condemnation outside Asia, with only muted reaction from most Asian countries.

NLD leader Aung San Suu Kyi has criticized ASEAN's policy of constructive engagement with Burma, which hopes to become an ASEAN member.

ASEAN, which comprises Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam, has traditionally preferred consultation to confrontation in its internal affairs and in its relations with other Asian countries.

Indonesia: Daily Opposes Formation of New Political Parties

BK2805052396 Jakarta SUARA KARYA in Indonesian 25 May 96 p 5

[Editorial: "New Political Parties Not Needed"]

[FBIS Translated Text] We went through a long and bitter experience before reaching a consensus that there were only three sociopolitical organizations — the United Development Party [PPP], Functional Group [Golkar], and Indonesian Democratic Party [PDI]. In fact, it was the outcome of what we experienced during the period prior to the proclamation of the Republic of Indonesia's independence. Therefore President Suharto's statement on the matter, as quoted by Abdul Gafur, chairman of the Indonesian Workers Development Group (GAKPI), following his audience with the head of state on 23 May, had a strong basis.

According to Abdul Gafur, President Suharto said that it was not necessary to form new political parties because the national consensus reached earlier was good enough — two political parties and the Golkar. Furthermore, Abdul Gafur said the head of state's affirmation meant that no one should ever think of forming a new political party. The national consensus reached in the 1970's called for the reduction of the number of parties from nine to two (PPP and PDI) and recognized the Golkar. The simplication was meant for the survival of the country's political life.

Abdul Gafur said President Suharto had reiterated that the issue of freedom was covered in the 1945 Constitution. Thus, freedom of assembly and speech, orally or in writing, is governed by laws. "If it has been determined by the Constitution, then it must be obeyed so that these freedoms can be implemented as best as possible," Abdul Gafur said.

Since the birth of "Budi Utomo" [the first anti-colonial organization], several political and nonpolitical organizations have emerged. Their objective was to unite the national forces, but what really happened was just the opposite. The Youth Pledge was born in 1928 because of this.

After the proclamation of the Republic of Indonesia, several political parties were formed in accordance with the famous Decree No. X. Dozens of political parties emerged in the first general elections under the Old Order (1955/56). The Constituent Board failed to perform its functions, and parliamentary cabinets that were supported by political parties that won in the elections came and went. It was this unstable political condition that led to the G 30 S/PKI [September 30 Movement/Indonesian Communist Party].

Realizing the fragile political situation due to the existence of too many political parties in the country, the forces that support the New Order agreed to reduce the number of political parties to two (PPP and PDI) and the Golkar. This consensus was stipulated later under Law No. 31/1975 on Political Parties and the Golkar.

The simplification of the political parties has enabled the Indonesian people to create political stability as preconditions for the continuity of development.

Thus, based on the long background, the desire of some groups to form new political parties not only contradicts the national consensus that has become law but will also bring about risks because it reminds us of the chaotic political situation under the Old Order era. A new political party will be followed by more new ones later.

For this reason, with a clear mind, we believe that the formation of new political parties is unjustifiable for the sake of the nation's future. The nation needs the continuity of development and political stability to face challenges in the globalization era. Otherwise, we will be asking for a repeat of the unpleasant incidents experienced under the Old Order era.

Laos

Laos: Somsavat Reports on Visits To ROK, Japan, Philippines

BK2805100896 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 27 May 96

[News conference by Foreign Affairs Minister Somsavat Lengsavat held in Vientiane on 27 May — recorded]

[FBIS Translated Text] During the visit to the Republic of Korea, the two sides signed two agreements, namely on joint investment promotion and protection, and on economic and technical cooperation. The Lao Foreign Affairs Ministry delegation held several meetings with the ROK Foreign Affairs ministry delegation. They discussed and exchanged views on many issues related to ties and ways to step up mutual aid in the future. They also informed one another of their policies toward each other and discussed other issues concerning peace, stability, and regional cooperation. The Lao delegation was also informed that many ROK businessmen are interested in investing in Laos.

After the visit to the Republic of Korea, I went for an unofficial visit to Japan. During the visit, my delegation held a meeting with a Japanese Foreign Ministry delegation. At the meeting, both sides noted with satisfaction that over the past year or following our prime minister's visit to Japan, ties have developed favorably. This shows that the agreement reached last year between the Lao and Japanese prime ministers has been implemented effectively. The Japanese side also expressed its intention to further enhance friendly relations, cooperation, and mutual assistance with our country.

On 23 May, I left Japan for an official visit to the Philippines, my first since I assumed the post of foreign affairs minister.

During my stay, I held a consultative meeting with Foreign Affairs Minister Siazon. We discussed ties. The Philippine foreign minister informed our delegation that they welcomed the Lao People's Democratic Republic's [LPDR] application for ASEAN membership. In this regard, in March, I sent a letter to Ali Alatas, Indonesian foreign affairs minister, who is chairman of the ASEAN Standing Committee. Alatas then sent copies of my letter to ASEAN member countries asking them for their views and to see if they would agree to accept Laos as a member. That was why the Philippine foreign affairs minister told me about the Philippine Government's support for Laos to be an ASEAN member. However, the official approval of our LPDR's application will be given at the ASEAN ministerial meeting in the next two months.

Laos: High-Level SLORC Delegation Arrives for Visit

BK2805110296 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 28 May 96

[FBIS Translated Text] A high-level military delegation from the Union of Myanmar [Burma] headed by His Excellency [H.E.] Lieutenant General [Lt. Gen.] Min Thein, minister attached to the Office of the Chairman of the State Law and Order Restoration Council, [SLORC] arrived in Vientiane on the afternoon of 25 May for an official friendship visit from 25 to 30 May at the invitation of H.E. Lt. Gen. Choummali Sai-gnason, national defense minister of the Lao People's Democratic Republic [LPDR].

A grand welcoming ceremony for the delegation was held at the National Defense Ministry with the presence of H.E. National Defense Minister Lt. Gen. Choummali Sai-gnason and a number of high- and middle-ranking military officers attached to the Ministry of National Defense.

H.E. U Thein Han, ambassador extraordinary and plenipotentiary of the Union of Myanmar to the LPDR, also attended the ceremony.

After H.E. Lt. Gen. Choummali Sai-gnason led H.E. Lt. Gen. Min Thein to take the rostrum to pay respect to the national flags of Laos and Myanmar, the latter inspected the honor guard and shook hands with the high- and middle-ranking military officers of the Lao People's Army [LPA] waiting to welcome him at the reception room of the National Defense Ministry. After that H.E. Lt. Gen. Choummali Sai-gnason extended a formal welcome to the visitor.

At the meeting held in an atmosphere of friendship and understanding, our national defense minister hailed the friendship visit by H.E. the Minister attached to the Office of the SLORC Chairman of the Union of Myanmar and his party, terming it as a contribution to strengthening the solidarity, relations, and cooperation between the two countries in general, and between the two armies in particular.

After the welcoming ceremony, H.E. Lt. Gen. Min Thein and his party, accompanied by Brigadier General Bounthon Chitvilaphon, deputy chief of the LPA General Staff Department, laid a wreath at the monument of unknown soldiers.

On the afternoon of the same day at Latsavong hotel, the high-level Lao military delegation headed by H.E. Lt. Gen. Choummali Sai-gnason, minister of national defense of the LPDR, and the high-level military delegation of the Union of Myanmar headed by H.E. Min Thein, minister attached to the Office of the SLORC Chairman, held consultations. At the talks, they informed each other of the socioeconomic development in their respective countries and exchanged views on current ties and cooperation.

In addition to visiting some military units during its stay, the delegation is also scheduled to visit many other important economic and cultural establishments in Vientiane Municipality and Xieng Khouang and Luang Prabang Provinces.

Philippines

Philippines: Ramos Says Economic Reforms Almost Complete

BK2805060796 Manila PNA in English 0936 GMT 27 May 96

[Report by Ruben B. Cal — received via Internet]

[FBIS Transcribed Text] Manila, May 27 (PNA) — President Ramos today said the package of economic reform programs is almost complete and vowed not to give in to powerful groups who oppose it.

The president said he was assured by Congress that the all-important Comprehensive Tax Reform Package, which will ensure the government sustainable revenues long into the future, will be passed in due time.

"The economic reform package we set out to do is nearly complete," the president said during the 99th anniversary of the Department of Finance (DoF) at the Bangko Sentral ng Pilipinas [Central Bank of the Philippines] Complex on Roxas Boulevard, Manila.

"Our economic reform program, while easy to comprehend, has not been easy to implement," he said, adding that "many times in the last few years, we have made the hard choices of deciding in favor of the best policies for long-range benefits over those dictated by short-term political convenience."

The president said the economic reforms his government initiated have ended the cycle of boom and bust and pushed the economy forward.

Because of defective economic policies in the past, the country had incurred chronic deficits and the public sector was forced to compete for scarce funds with more efficient private users of capital, he said.

As a result, interest rates was pushed upward and inflation also increased. New investments were discouraged to come in and the entire economy slumped.

But all these have been corrected by the Ramos administration by instituting sound economic reforms that enable the economy to rebound.

President Ramos said that today "the Philippine economy is robust and dynamic, well-prepared to meet the challenges of globalization. It is poised to seize every opportunity offered by increasing economic integration in the Asia-Pacific and world economy."

He cited that for the past two consecutive years — 1994 and 1995 — the government had attained budget surpluses.

Because of the superb performance of the Philippine economy, Finance Secretary Roberto de Ocampo was selected the world's finance minister of the year, the president said.

The president lauded de Ocampo for his competence and excellence in helping the government achieve economic recovery.

He also commended Finance Undersecretary Romeo Bernardo for contributing his talents and insights toward modernizing government policies and preparing the economy for global competitiveness.

"Our economic and social programs have torn down the walls of protectionism that forced our industries to look inwards rather than participate in the mainstream of global trade," he said.

Mr. Ramos also said that the economic reform removed antiquated policies that fostered cartels and monopolies that discouraged innovation and kept away potential investments.

"We are now able, under the liberalization and democratization policies of the Ramos administration, to deliver social benefits to poor Filipinos more adequately," he said.

He said that by maintaining fiscal prudence and assuring monetary stability "we have raised investor confidence in our economy."

The president admitted that the pursuit of economic reform programs has not always been easy.

"Change is always difficult, and innovative and creative policies will always meet with discomfort and skepticism. There will always be resistance from those inclined to maintain the old way of doing things for their exclusive benefit," he added.

But the president said "we cannot give in...we simply cannot allow these doubts to stand in the way of our economy's effective entry into the next century."

"Far too much is at stake — much more, to be sure, than the narrow interests to those who stand to lose from positive change," he said.

The president said that there will always be powerful groups in the political arena who will stand in the way of the best long-term policies and programs "either because they have vested interests to protect or are simply uninformed of the long-range benefits for them."

Philippines: Corporate Air Designated BIMP-EAGA Flag Carrier

BK2805061196 Manila PNA in English
0936 GMT 27 May 96

[Received via Internet]

[FBIS Transcribed Text] Manila, May 27 (PNA) — Corporate Air, Inc. has been designated by Malacanang [presidential palace] as an official Philippine flag carrier in the Brunei-Indonesia-Malaysia-Philippines-East ASEAN Growth Area (BIMP-EAGA).

Corporate Air, now operating all over the country, is the second official airline designated by the government as a flag carrier. The first was Philippine Airlines (PAL).

In a memorandum sent by the Office of the President dated May 15, 1996, Executive Secretary Ruben D. Torres said that President Fidel V. Ramos has approved the recommendation by the Civil Aeronautics Board endorsing Corporate Air's application.

Corporate Air intends to corner the expected boom in business and leisure travel in the southern region, especially with the creation of the BIMP-EAGA.

The Philippines spearheaded the creation of the BIMP-EAGA some two years ago. The BIMP-EAGA is an intra-subregional cooperative alliance between the four countries.

Among its goals is the expansion of air linkages within the subregion.

The airline company is headed by its chairman Alberto D. Lina.

Corporate Air, Inc. is currently doing the air bridge and feeder operations for United States-based air courier giant Federal Express between Manila and Subic International Airport, and between Subic and Cebu.

The airline had provided feeder capacities using two Cessna caravan and two Twin Otter aircraft for FedEx's passenger and cargo services.

For Cebu operations, Corporate Air has adopted the name Mindanao Express and will be doing scheduled operations using a 19-seater Beechcraft 1900C.

For the BIMP-EAGA operations, Corporate Air intends to start operations in late August with the expected arrival of four additional Beechcraft 1900C airplanes.

Philippines: Opposition Warns of Moves To Extend Ramos Government Term

BK2805064996 Manila BUSINESS WORLD in English 28 May 96

[Report by Ronaldo F. Jabal with Myra V. Lopez and Jemileen U. Nuqui — received via Internet]

[FBIS Transcribed Text] Malacanang may be hatching a plan to use extra-constitutional means to extend the term limits of all incumbents if the planned people's initiatives fails to deliver.

As this developed, leaders of the ruling Lakas [Strength of the Nation] party yesterday denied having received any orders from Malacanang regarding a signature campaign for a planned people's initiative aimed at amending the Constitution.

Also, the Senate last night [27 May] unanimously approved Senate Resolutions 121 and 129 expressing opposition to amending the Constitution.

Cebu Rep. John Osmena aired the warning of "parallel plans" yesterday as he said he was not surprised over reports that Malacanang has directed supporters in the House of Representatives to start a massive signature campaign.

"The move to amend the Constitution has always been an active plan of Malacanang. However the people should be warned there are several parallel plans to achieve the goal of allowing Mr. Ramos to remain in power after 1998," he told BUSINESS WORLD.

He said a sector of the government is brewing a "concerted effort" to destabilize and demean the different constitutional institutions of the government.

He said the attacks on the Commission on Elections (Comelec), corruption charges against the Office of Ombudsman, questions on the credibility last year's senatorial elections, and jueteng [illegal gambling] charges against some congressmen were done to "depreciate the public appreciation and respect for these institutions."

Martial Rule

"This is a concerted effort to pull down the image of the constitutional institutions. The end goal of these is to condition the mind of the people that if they lose faith in all democratic institutions, perpetuation of power without Constitutional basis will be acceptable. Thus martial rule may ensue," Mr. Osmena said.

He said the plan may be the handiwork of a "military clique" in government. He said in Congress, the pack is led by Paranaque Rep. Roilo Golez and Batangas Rep. Eduardo Ermita; in Malacanang by Presidential Management Staff chief Alexander Aguirre and National Security Adviser Jose Almonte.

Reports said that some Lakas congressmen have received orders to recruit at least 10 registered voters in all polling precincts in their respective districts. Although no specific deadline was given, the reports said the campaign is to be fastracked to afford Mr. Ramos a term extension of two years and to support moves for "Ramos for Philippines 2000" program.

Ranking Lakas members said there is no directive to that effect. Samar Reps. Catalino Figueroa and Jose Ramirez said they are not aware of any order as they scored journalists for allowing themselves to be used for partisan politics.

"I am not aware of such directive. I should know as I am the regional party chief in Region VIII. These are may be black propaganda by party opponents and administration nemesis who are out to destroy the image of the president," Mr. Ramirez said.

"Probably these come from those who fear (that) President Ramos is pulling away in national surveys," Mr. Figueroa argued.

Reps. Exequiel Javier of Antique and Jerome Paras of Negros Oriental, also Lakas party leaders, said "We have not received such an order."

Self-Serving Campaign

House Minority leader Ronaldo Zamora who is opposed to the planned constitutional amendments said this is now the time to create a coalition of multipartisan lawmakers to stop Mr. Ramos and his partymates from proceeding with their "self-serving" campaign.

House Speaker Jose de Venecia, while trying to reiterate that the planned amendments have been put "at the back burner," also told reporters that he will have no choice but to accede to the proposed changes if these are requested by the people themselves.

He said that "if it is a genuine initiative from the people, we will be fighting a constitutional mandate ... (the) people's initiative is enshrined in the Constitution. So we just have to let events take their course."

Meanwhile, Senate President Neptali Gonzales said the resolutions send a message to congressmen and to the people that the Senate will not go along with the administration's efforts to effect constitutional changes.

"This should be a catalyst to the people's opposition to any attempts to amend the Constitution ... they need not be stampeded by the political machinations which those in power may undertake to extend their terms," he said.

The 17 senators present in yesterday's session voted in favor of the resolutions which "expresses the sense of the Senate against any attempt to amend the 1987 Constitution."

Those who voted in favor were Senators Gonzales, Leticia Shahani, Heherson Alvarez, Orlando Mercado, Raul Roco, Alberto Romulo, Edgardo Angara, Nikki Coseteng, Ramon Magsaysay, Jr., Freddie Webb, Ernesto Maceda, Gloria Macapagal-Arroyo, Miriam Santiago, Blas Ople, Juan Flavier, Franklin Drilon and Gregorio Honasan.

But despite his vote against tinkering with the Charter, Mr. Maceda projected that there is 60-40 chance for the people's initiative to succeed. The scheme means at least 12% of the country's total voting population and 3% of each voting district should be in favor of the proposals.

Mr. Gonzales also warned the public to be "wary" of any signature drive being waged by local officials as he expressed concern the people's initiative being conducted by proponents of the change might succeed in amending the 1987 Constitution.

"We have done everything we can here in Congress... the ball is now in the hands of our countrymen. They have to be careful because they might just sign when prodded by their local officials, we have to look after the welfare of the nation," he said.

Thailand

Thailand: Direct Contacts With APEC Leaders at Summit Opposed

BK2905043896 Bangkok BANGKOK POST in English 29 May 96 p 17

[Report by Somphon Thapphanachai]

[FBIS Transcribed Text] Thailand is opposing a Philippines proposal to allow businessmen to directly meet leaders of the Asia Pacific Economic Cooperation (APEC) group at the November summit in Subic.

A Commerce Ministry source said the Philippines, host of this year's meeting of APEC leaders, has distributed a proposal asking for comments from other members.

The proposal envisages the businessmen and government leaders meeting together as well as attending a welcome reception or dinner hosted by President Fidel Ramos.

The source said Thailand believes discussions between business leaders and heads of government would not be appropriate for reasons of protocol. The business body concerned was set up by APEC ministers last year and therefore Thailand would prefer the businessmen to talk to the ministers who meet immediately before this year's summit.

He said other ASEAN countries especially Brunei have also rejected the Philippines' proposal, arguing that it would not be the appropriate form of dialogue.

The Philippines envisages two private sector bodies participating. An APEC Business Advisory Council set up by APEC ministers — and not the leaders — at last year's summit in Osaka would present its recommendations on APEC's future and hear the leaders' response in a one-hour "structured dialogue".

Also attending, but only as observers, would be members of the APEC Business Forum, a separate body created by President Ramos that is due to meet in Manila on November 22-23. The forum comprises up to 22 chief executive officers from leading companies in each of APEC's 18 members.

Its purpose is to dispel the notion that APEC is a talking shop for bureaucrats, and to demonstrate intra-APEC cooperation through joint business sector activities. The group will focus on projects in the area of development of small and medium scale enterprises, information technology and telecommunications, capital markets, infrastructure.

The Philippines' proposal gives the two bodies different tasks. The advisory council set up in Osaka would present recommendations on APEC's long-term agenda, focusing on a broad range of policies.

The business forum would encourage companies to get together to implement commercial projects made possible by APEC's existence. These would be short-term and would focus on specific sectors.

The Philippines said examples of the business forum's projects might be the establishment of an APEC marketplace for small and medium enterprises to access market data, transact business through electronic data interchange, and perform other trading services.

It also said the forum may agree to set up a database of medical information and a bulletin board which medical practitioners will be able to tap into to assist in diagnosing an ailment, prescribing a cure, and consulting with other medical practitioners on-line.

The source said the Philippines earlier proposed a dialogue with leaders in which both business groups would be full participants, but other APEC members rejected that idea as well. Thai Deputy Prime Minister Amnuai Wirawan said at the ASEAN Economic Ministers' informal gathering in Singapore last month that Thailand opposed such dialogue, the source said.

APEC comprises Canada, the United States, Mexico, Chile, Japan, South Korea China, Hong Kong, Taiwan, Papua New Guinea, Australia, New Zealand, and the six ASEAN members excluding Vietnam . THIS REPORT MAY CONTAIN COPYRIGHTED MATERIAL.

Thailand: Thai Premier Says Country Not To Meddle in Burma

BK2605133496 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 26 May 96

[FBIS Translated Text] Referring to the U.S. appeal for Thailand and the international community to pressure the Burmese military government over the arrest of members of the opposition party led by Aung San Suu Kyi, Prime Minister Banhan Sinlapa-acha said the situation is a Burmese political development which Thailand should not meddle in. Regarding the report that Thai soldiers were involved in an attempt to assassinate former Australian Foreign Minister Gareth Evans, the prime minister said he has not been informed of the report and therefore wants to check it first.

Thailand: Commander on Disputed River Channel on Burmese Border

BK2705105496 Bangkok MATICHON in Thai 24 May 96 p 10

[Unattributed report]

[FBIS Translated Text] At 1530 on 23 May, Supreme Commander General Wirot Saengsanit and his delegation received a briefing on the situation along the Burmese border at the meeting hall of the Fourth Infantry Regiment task force in Mae Sot District, Tak Province. The delegation then went to the construction site of the Thai-Burmese Friendship Bridge to inspect the dredging of the channel in the Moei river. Burma wants the channel to be dredged further, otherwise it will not allow the construction of the bridge or cross-border trading.

Gen. Wirot said afterward that the dispute remains unsolved because Thailand and Burma are not talking about the same issue. The aerial photography taken in 1989 by Burma and Thailand did not match. Therefore, the photographs that both sides have should be used as foundation of a new map, which could be drawn up by the Army Map Department in seven days. Both sides can then see if the map is acceptable. If it is, then they can consider where the channel and banks should be located. If it is not, the bridge construction will be scrapped.

Regarding the Burmese construction of posts in the river to divert water flow, Wirot said Thailand already made several protests. He said if the channel dredging does not comply with the planned map and results in loss of territory, Thailand will not tolerate it. However, if the map shows otherwise Thailand will accept it.

Thailand: Ministry Asks Australia To Clarify Report on Evans

BK2805051096 Bangkok THE NATION in English 28 May 96 p A1

[Unattributed report]

[FBIS Transcribed Text] The Foreign Ministry yesterday asked Australia to clarify a Sydney newspaper report linking Freelance military personnel in Thailand to an alleged plot to assassinate former Australian foreign minister Gareth Evans, while the Thai military reacted angrily to the report.

In a concerted effort, the Supreme Command's information office yesterday issued a statement claiming that the alleged threat against Evans, that was linked to the Thai military, was made without any proof.

"The accusation against the military could possibly be politically motivated or could benefit certain people or businesses in that country," Lt Gen Rattana Chaloemsaenyakon, the information office director, said.

The Foreign Ministry yesterday summoned the Australian Charge d'Affairs James Wise to protest against the damage caused to the country's image by the news report.

The ministry's spokesman, Suraphong Chaiyanam, said Permanent Secretary Thep Thewakun demanded that Wise clarify the news report. Wise admitted that the media's report was "inaccurate and speculative", Suraphong said.

Both were responding to a report in the SYDNEY MORNING HERALD saying the contract was linked to accusations by Evans in 1994 that "freelance military personnel and shady business people in Thailand had assisted the Khmer Rouge guerrillas in neighbouring Cambodia".

The paper quoted unnamed security sources as saying that the Australian Federal Police were providing round-the-clock protection for Evans.

Evans was foreign minister for eight years until his Labor Party lost power after a national election in March.

The newspaper said Evans had claimed that elements in the Thai military had provided refuge for Khmer Rouge leaders and helped them sell timber and gemstones.

Money from such sales was allegedly to have been used to finance the guerrilla's operations, the report said.

Rattana said in the statement: "From our investigations, the Thai Army can confirm that there is no evidence of any military authorities being involved in the alleged contract as reported."

Such reports by the Australian press have negatively affected the dignity of the Thai military and it should not have happened between such close neighbouring countries, the statement said.

Countries with such accusers would react in a similar fashion if such reports were made against them," it continued.

Suraphong quoted Thep as asking the Australian diplomat to immediately clarify the media's report, either in Canberra or at its embassy in Bangkok because Thailand was greatly concerned by the report and its effect on the image of the country.

Suraphong said in 1994 similar news was reported but involved drug traffickers who were linked to Thailand.

[Bangkok THAILAND TIMES in English on 28 May adds: "The former Australian foreign minister, Gareth Evans, yesterday denied a report in an Australian newspaper linking the Thai military to a plot against his life, the Thai Ambassador to Canberra said yesterday.

"Laksanachanthon Laohaphan said she had met with Evans yesterday to verify the report in Saturday's Sydney Morning Herald, which said a death threat had been made against Evans and a contract taken out on his life by gangsters with connections to the Thai military.

"Evans called the reports 'incorrect' and 'doubtful', Laksanachanthon said. According to the article, the former foreign minister has been advised by the Australian Federal Police not to discuss the matter."

The paper adds: "KR guerrillas active in the Cambodian countryside, particularly near the Thai-Cambodian border, are the remnants of Cambodia's bloodthirsty communist regime of the mid-1970's. They are known to be deeply involved in illegal logging and jewel mining, and much of their produce finds its way across the border into Thailand.

"Evans said yesterday the Herald's foreign affairs correspondent, David Lague, who wrote the article, had just picked up on things said in the Australian parliament about the security budget for senior ministers, said the ambassador.

"Laksanachanthon said Australia's foreign ministry had officially confirmed to her that the report was groundless."]

Thailand: Security Policy Guidelines Issued on Cambodia

BK2505114796 Bangkok BANGKOK POST in English 25 May 96 p 6

[Report by Phanrawi Tansuphaphon]

[FBIS Transcribed Text] Guidelines on Thailand's national security policy towards Cambodia for the next three years were issued yesterday.

National Security Council secretary-general Gen Charan Kunlawanit declined to reveal the guidelines given to military and civilian state agencies.

"The government wishes to have peace and stability in Cambodia and for all people on the border to have more safety and trust each other," he said after a meeting on the policy in Phatthaya.

About 80 people drawn from military and state agency ranks took part.

A military representative said fighting near the border was Cambodia's internal problem. His agency wanted to tackle problems such as illegal entry, drug trafficking and other crime.

Thai Ambassador to Phnom Penh Domdet Bunnak, looking ahead to the Cambodian election in 1998, said Cambodia's pending membership of ASEAN would help as other governments would help strengthen its economy.

He suggested Thai businessmen should invest more in Cambodia because if the political situation in Cambodia was stable major economic powers such as the United States, South Korea and Japan might find the opportunities first.

Thailand: NSC Chief Wants Tighter Security on Cambodian Border

BK2905043496 Bangkok THE NATION in English 29 May 96 p A2

[Unattributed report]

[FBIS Transcribed Text] National Security Council [NSC] Gen. Charan Kunlawanit yesterday alerted border authorities to suppress all illegal entries onto Thai soil, saying the presence of illegal immigrants could affect national security.

Gen. Charan was speaking yesterday during his one-day trip to observe areas under the supervision of the Burapha Task Force in Sakaeo province.

After a briefing, Charan told the task force to strictly suppress illegal entry by Cambodian people who sneak over the border into Thailand. He emphasised that the crackdown would focus on gangsters earning money by smuggling Cambodians to work in factories in Bangkok and other areas.

The presence of illegal immigrants in Thailand would affect national security, he stressed.

In a related development, police of Sakaeo's Aranyaprathet district yesterday rounded up 36 Cambodians who allegedly entered Thailand without permission.

They told police they planned to go to Bangkok to look for work, police said, adding they would soon be deported.

Meanwhile, Loei province police on Monday arrested 13 Laotians hidden in a pickup truck on the Tha Li-Loei Road at a checkpoint set up after receiving a tip-off.

All were hidden in the back of the pickup truck covered by a large blanket.

Four Thais were also apprehended, identified as Narong Keaoruang of Suphanburi province, Bunmi Chadamek of Loei, Chaloem Sithong of Nongbualumphu, and Malai Chantang of Bangkok.

They were charged with smuggling aliens into the country, police said.

Thailand: Deputy Minister Discusses Trade Deficit

BK2805104396 Bangkok MATICHON in Thai
28 May 96 p 7

[Unattributed report]

[FBIS Translated Excerpt] Speaking after the meeting of the subcommittee to solve trade deficit, Deputy Commerce Minister Montri Danphaibun said many factors contribute to the continuing problem. He said 1995 trade deficit totaled 353.9 billion baht, an increase of 52.8 percent from the previous year. This amounted to 8.6 percent of the GDP. One of the causes is the structure of export manufacturing, which is dependent on foreign raw materials and between 60-80 percent of foreign capital, particularly for the 10 biggest exports. As a result, a rise in exports will result in a rise in imports of capital products. Meanwhile, foreign investments are merely a relocation of production bases, while other operations are still controlled by the parent companies abroad.

Montri said 77 percent of the Thai imports are foreign capital products, 8 percent are consumer products, while vehicles account for 7 percent, and fuel 7 percent. Most imports are from countries with strong currencies such as Germany and Japan, and therefore, huge amounts of money are required.

Regarding the direction for tackling the trade deficit, Montri said the meeting urged development of raw materials and medium level products both in quality and quantity to meet local demands and thus replace their imports. The meeting also encouraged the use of new technology to develop local resources and reform of the promotion investment policy to create industries that involve full-cycle production, such as the electricity, automobile, communications, and packaging industries.

Montri said there will be support for Thai businessmen who invest abroad to produce raw materials and medium level products to feed industries in Thailand. The Board of Investment will be responsible for encouraging the private sector to raise its research and development work and to set the direction for scientific development to facilitate investment by foreign businessmen. It will also promote marketing relations to encourage cooperation between importers and exporters, such as in the plastic pellet industry. The board will also carry out a study on the appropriate form of national development.

Montri said due to numerous forms of trade discrimination presently, there must be an organization to effectively negotiate with trading partners, and institutes should be formed to strengthen competitiveness of the export sector, such as in the textile and food export industries. [passage omitted]

Thailand: Article Questions Banhan's Economic Estimates

BK2705073696 Bangkok MATICHON in Thai
23 May 96 p 7

[Unattributed report]

[FBIS Translated Excerpt] Prime Minister Banhan Sinlapa-acha introduced the 1997 budget bill to the House of Representatives on 22 May. He said government measures and the implementation of government policies has pointed in the direction of a stable national economy in 1996. Economic growth in 1996 is expected to be 8.3 percent, a rate which he said is appropriate and stable. Investment by the private sector will expand favorable. He said exports will grow 18 percent in 1996, while imports will expand at 16 percent. This will result in a reduction of the trade deficit to 8.8 percent, a decrease in the current account deficit to 7.3 percent of the GDP, and inflation at 5.5 percent. [passage omitted]

Chaiwat Wibunsawat, deputy governor of the Bank of Thailand, said the economic figures the prime minister cited to parliament were not from the Bank of Thailand but were probably obtained from the National Economic and Social Development Board. The central bank only reviews the economic situation twice a year — at mid-year and at year end. Next week it will make a report on the economic situation for the first quarter.

A Commerce Ministry source wondered which agency supplied Banhan with his 1996 import, export, and trade deficit estimates, as they were quite different from the Commerce Ministry figures. While the Commerce Ministry's export figure was similar to Banhan's, 1.605 trillion baht or 18 percent growth, the import estimate was 1.972 trillion baht, or a 19.9 percent increase as against Banhan's figure of 16 percent. Banhan's estimate on the growth of the trade deficit was 8.8 percent, while the Commerce Ministry's estimate was 367 billion baht, or a 29.2 percent increase. The marked difference in the two estimates is alarming, and the source doubts if Banhan's estimate is achievable.

Thailand: Prime Minister Wants More Time on Cabinet Reshuffle

BK2505105696 Bangkok Radio Thailand Network in Thai 0530 GMT 25 May 96

[Report by Thiwaphon Saengmuangphim of the Public Relations Department]

[FBIS Translated Text] After completing his activities in Suphan Buri Province this morning, Prime Minister Banhan Sinlapa-acha, who is concurrently interior minister, returned to Bangkok by helicopter at 1100. He was received at the airport by Permanent Secretary of Interior Ari Wong-araya.

The prime minister discussed a cabinet reshuffle with reporters after five ministers of the Thoet Thai faction in the Chat Thai Party and five ministers of the Phalang Tham Party resigned from their cabinet posts. He said that he was gathering information on the issue for the time being. Therefore, he asked for a few more days before he could definitely disclose the results of the cabinet reshuffle.

[Begin recording] [Banhan] By that time, we will provide an answer. Give me a little more time.

[Unidentified correspondent] What would you tell the people today that ... [words indistinct]?

[Banhan] I will certainly announce it in one or two more days. Please give me a little more time. [end recording]

The prime minister then went to the residence of General Prem Tinsulanon, privy councillor and statesman, in the Sisao Thewet area in Bangkok. Further developments will be reported later.

Thailand: Royal Announcement Issued on Cabinet Reshuffle

BK2805061396 Bangkok Radio Thailand Network in Thai 0535 GMT 28 May 96

[FBIS Translated Text] Announcement on Appointment of Cabinet Ministers—Royal Signature: Phumiphon Adunyadet, Rex:

His Majesty King Phumiphon Adunyadet has graciously commanded that it be announced that, in connection with the announcement dated 13 July 1995 on the royal appointment of Banhan Sinlapa-acha as prime minister, the announcement dated 18 July 1995 on the appointment of the cabinet ministers, and the latest announcement dated 3 May 1996, the prime minister has informed him that, since several ministers have resigned, it is appropriate to appoint ministers to fill the vacancies for the benefit of national administration. Empowered by Article 163 of the Constitution of the Kingdom of Thailand, the Fifth Amendment of 1995, His Majesty the King has therefore graciously appointed the following ministers:

1. Police Lieutenant Colonel Thaksin Chinnawat as deputy prime minister;

2. Bodi Chunnanon as finance minister;

3. Soemsak Karun as deputy finance minister;

4. Amnuai Wirawan as deputy prime minister and concurrently foreign minister;

5. Charat Phuachuai as deputy foreign minister;

6. Phiraphong Thanomphongphan as deputy communications minister;

7. Amnuai Yotsuk as deputy commerce minister;

8. Anuson Wongwan as deputy interior minister;

9. Mrs. Sudarat Keyuraphan as deputy interior minister;

10. Chaiwat Sinsuwong as industry minister;

11. Bunchu Trithong as minister of the State University Bureau.

This announcement is to become effective immediately.

Announced on 28 May 1996, being the 51st year of the present reign.

Countersigned by Prime Minister Banhan Sinlapa-acha.

Thailand: Prime Minister Comments on Cabinet Reshuffle

BK2805080796 Bangkok Radio Thailand Network in Thai 0530 GMT 28 May 96

[FBIS Translated Text] Prime Minister Banhan Sinlapa-acha granted an interview to reporters at Government House this morning and said that he reshuffled the cabinet independently and without any conditions set by the parties in the coalition government.

[Begin recording] [Banhan] The reshuffle complies with the decision of a joint meeting of all coalition parties and with public opinion. Once I do it, I must do it well, or I would have to reshuffle time and again. That would not be right. Once the reshuffle is done, it must suit the situation in all the ministries concerned.

[Unidentified correspondent] Were you able to reshuffle the cabinet freely?

[Banhan] Yes, freely. The political parties let me alone decide about the reshuffle. I was not forced nor interfered with at all regarding this task. [end recording]

Thailand: Cabinet Ministers' Resignations Announced

BK2805072096 Bangkok Radio Thailand Network in Thai 0530 GMT 28 May 96

[Prime Minister's Office issues announcement on resignation of cabinet ministers]

[FBIS Translated Text] Deputy Finance Minister Newin Chitchop, Deputy Commerce Minister Sub-Lieutenant Phairot Suwannachawi, Deputy Interior Minister Suchat Tancharoen, Deputy Industry Minister Anuson Wongwan, and Minister of the State University Bureau Bunchu Trithong have tendered their resignation from their respective cabinet posts effective 23 May 1996. Deputy Prime Minister Police Lieutenant Colonel Thaksin Chinnawat, Deputy Foreign Minister Charat Phuachuai, Deputy Communications Minister Phiraphong Thanomphongphan, Deputy Interior Minister Mrs Sudarat Keyuraphan, and Industry Minister Chaiwat Sinsuwong have resigned from their cabinet posts effective 24 May 1996. Foreign Minister M.R. Kasemsamoson Kasemsi resigned from his cabinet post as of 27 May 1996, and Finance Minister Surakiat Sathianthai resigned from his post as of 28 May 1996.

The ministerial posts of Newin Chitchop, Acting Sub-Lieutenant Phairot Suwanchawi, Suchat Tancharoen, Anuson Wongwan, Bunchu Trithong, Police Lieutenant Colonel Thaksin Chinnawat, Charat Phuachuai, Phiraphong Thanomphongphan, Mrs Sudarat Keyuraphan, Chaiwat Sinsuwong, M.R. Kasemsamoson Kasemsi, and Surakiat Sathianthai have been terminated according to the dates of resignation in compliance with Article 113(2) of the Constitution of the Kingdom of Thailand, the fifth amendment of 1995.

Announced on 27 May 1996.

Signed by Banhan Sinlapa-acha, prime minister.

Thailand: Finance Minister Surakiat Resigns Under Pressure

BK2805020796 Bangkok Radio Thailand Network in Thai 0000 GMT 28 May 96

[FBIS Translated Text] Speaking to reporters at the Don Muang Airport last night upon his return from Hong Kong, Finance Minister Surakiat Sathianthai said he had faxed his letter of resignation as finance minister to the cabinet secretary general. His resignation was due to pressure by a coalition party. He did not feel sorry about the resignation. He had tried to work for the public since taking office. He would like his successor, however, to continue the financial and fiscal master plan and to uphold the public interest ahead of his own group's. The new finance minister must understand the problems and know how to tackle them. Most important, he must be sincere and honest.

Thailand: New Finance Minister Not To Bow to Political Pressure

BK2905031696 Bangkok BANGKOK POST in English 29 May 96 p 17

[Unattributed report]

[FBIS Transcribed Excerpt] Newly-appointed Finance Minister Bodi Chunnanon said yesterday he would remain independent when implementing fiscal and monetary policy and will refuse to bow to political pressure.

"I have been appointed to the portfolio under the quota of the Chat Thai Party, so I will have to report to the party what policies I am going to implement," Mr Bodi said.

"But I will not bow to any pressure to implement policies that are incorrect."

Although Mr Bodi has not yet started working in his portfolio, many political observers and bankers are doubting his independence.

They say that during his long service at the Budget Bureau, Mr Bodi was known to have "compromised deals" with politicians. He is also known to be very close to Prime Minister Banhan Sinlapa-acha.

Some said the appointment of Mr Bodi will make no difference, as he is only an agent of Mr Banhan — the same as Surakiat Sathianthai.

Mr Bodi said he was approached by Mr Banhan on Sunday and accepted because he believed he would be able to work for the country's interest.

"But I am not only a 'temporary' finance minister as speculated by some people. We (he and the Premier) did not discuss anything about my term," Mr Bodi said.

The new finance minister said the Premier did not assign him any particular policy. But Mr Bodi said there were three priorities — the current account deficit, inflation and financial problems of the Bangkok Bank of Commerce [BBC].

"These three problems have to be urgently solved to restore the confidence of local and foreign investors," he said.

Mr Bodi said he will fully support the BBC's control committee, chaired by Phatchara Isarasena, in rehabilitating the bank's problems.

He said he will try to bring the current account deficit and inflation down to "proper levels" so the country's economy would become stable with a suitable growth rate.

The private sector will be encouraged to be more competitive in the world market and the Finance Ministry under his ministership, will implement all necessary measures to support the private sector.

At the same time, he will revise all measures which have a negative impact on the private sector, he said.

Vowing he is ready to start working, Mr Bodi said he will appoint an advisory board of experts in various fields, particularly the money and capital markets.

Mr Bodi refused to comment when asked whether he would sack Bank of Thailand Governor Wichit Suphinit.

Rumours were widely spread yesterday that Mr Wichit had tendered his resignation. But Deputy Finance Minister Praphat Phothasuthon, who is in charge of the Finance Ministry, denied it. "I have not received any letter from Mr Wichit."

Mr Wichit later in the day denied he wanted to resign as the central bank governor, saying he will call on Mr Bodi shortly. [passage omitted]

Vietnam

SRV: NA Chairman Praises Clinton on Lifting Combat Zone Tag

BK2805155096 Hanoi VNA in English
1538 GMT 28 May 96

[FBIS Transcribed Text] Hanoi VNA May 28 — Chairman of The National Assembly [NA] Nong Duc manh received here this afternoon Senator Claiborne Pell, senior member of the Foreign Relations Committee of the US Senate, who is on a current visit to Vietnam.

Speaking to Senator Pell and his party, Chairman Manh welcomed the visit as a vivid manifestation of the promotion of the Vietnam-US ties.

Chairman Manh and senator compared notes on the activities of the National Assembly, the success of Vietnam's current renovation process, human rights, the promotion of the bilateral relations between the two countries, and other issues of common concern.

The Vietnamese leader hailed President Bill Clinton's order to terminate Vietnam's designation as a combat zone, and his nomination of the US Ambassador to Vietnam, considering them as positive move commensurate with the development of relations between the two countries.

Senator Pell shared with Chairman Manh the same wish that relations between the two legislatures would be set up in the near future to enhance mutual understanding, thus contributing to further boosting the two countries' ties, particularly in the economic and trade fields.

This is second visit by a delegation of the US congress to Vietnam since the normalization of relations between the two countries in July 1995.

Earlier Senator Pell was received by Foreign Minister Nguyen Manh Cam. Mr. Pell made a sightseeing tour of Hanoi and met with US business people in the city. He will leave here tomorrow.

SRV: Official Comments on Disney Copyright Case

BK2405124896 Hanoi VIETNAM INVESTMENT REVIEW in English 15-21 Apr 96 p 7

[Report by Trinh Thi]

[FBIS Transcribed Text] Walt Disney Company's latest crusade against copyright violators in Vietnam has been snared by the nation's legal codes, according to an official from Vietnam's Department of Copyright.

The American entertainment company last week launched a newspaper advertising campaign against copyright violations in Vietnam threatening prosecution of offenders who continued unlicensed use of their world-famous cartoon characters.

But, according to Thuong Thuan, Vice Director of Vietnam's Department of Copyright, the Walt Disney Company cannot protect its rights here since they have yet to register their trademarks.

The Disney decision follows a recent visit by company executives to discuss copyright issues with the Ministry of Culture and Information. The executives returned to Disney headquarters in the US carrying reports of widespread abuses including the case of a fast food restaurant named after their leading spokesmodel Mickey Mouse, a lubricant sold by Donald Duck and backpacks featuring the likes of Pluto, Huey, Duey and Louie.

"It is necessary to educate the Vietnamese public about abuses of intellectual property. Most of the time they are not aware," Thuan said adding that the Disney problem could be resolved if the company were to register their trademarks with his department.

Do Thuong Ngai of the patent trademark bureau at the Vietnam Chamber of Commerce and Industry (VCCI) confirmed obvious cases of trademark violation in Vietnam, but said that Disney has yet to file a formal complaint.

Most of the 700 individuals and companies to register intellectual property rights in Vietnam are Vietnamese, Thuan said. Disney needs to register with the department which would then prosecute copyright violations in conjunction with local authorities.

Several local businesses have expressed interest in using Disney images but have been reluctant to enter into the legal wrangling required to secure the rights.

"We would love to use Walt Disney's characters to sell our toys, but we have not bought the copyright because we are sure they would charge a lot," said Do Thuong Phat, Vice Director of Hanoi's Hung Sang Toy Company .

The company, established four years ago, has taken overseas orders to produce toys for export and recently opened retail outlets in Ho Chi Minh City and Hanoi.

Plans by the Ho Chi Minh City Youth Publishing House to publish Walt Disney cartoons were put on hold following an inquiry into the procedures necessary to authenticate their product. The cost of fulfilling Disney's complicated requirements would have increased the cover price of the books by ten times, Le Hoang, the publishing house director, told Vietnam Investment Review.

After a year of negotiations the Walt Disney Company agreed to a relief plan. The two companies are expected to sign a contract allowing the publishing house to exclusively use the image of Donald Duck for cartoons in Vietnam. There are enough Donald Duck stories to sell several editions, Hoang said. According to the contract terms, Walt Disney Company will collect only six per cent of the sales price.

"This percentage is reasonable, ensuring that prices will stay at a Vietnamese market level," Hoang said. The first edition will go on sale in June at less than VND [Vietnamese dong] [illegible],300 (US$0.45) per copy.

Walt Disney will also provide printing technology to ensure an international standard. "This publishing agreement was tailor-made for Vietnam, Hoang said.

SRV: Philippine Proposal To Open Up AFTA Welcomed

BK2805124696 Hanoi VIETNAM INVESTMENT REVIEW in English 13-19 May 96 p 4

[Unattributed Report]

[FBIS Transcribed Text] VIETNAM'S economists have welcomed a Philippine proposal to open up the Asean Free Trade Area (AFTA) to 311 countries by 2000.

However, despite long-term trade benefits, they say the Vietnamese economy would not be able to cope with the competition in the short term. Moreover, specific business and industry interests throughout Asia and the rest of the world may lobby against the proposal, meaning it is unlikely to be accepted.

Under the Philippine proposal, the Association of Southeast Asian Nations (Asean) would open up its markets to tariff-free imports of most products from outside by 2000, regardless of whether other countries opened up their own markets. Speaking at a conference in Hong Kong last week, Jesus Estanislao, a former Philippine finance secretary and advisor to the government on APEC suggested that Asean take the lead in trade liberalisation.

Ministry of Trade spokesman Dao Huy Giam said he could not comment at this stage. "It is just a proposal, so it is impossible to say yes or no now. Vietnam supports other countries efforts to push the process forward, but we need to consider and study everything carefully. We should not be in a hurry."

The Philippines is chairman of the Asia-Pacific Economic Cooperation (Apec) forum this year.

The present timetable sees the implementation of AFTA among Asean members by 2000, although Vietnam gets an extended deadline. The new proposal would require the acceptance of the six other Asean nations — Brunei, Indonesia, Malaysia, Singapore, Thailand and Vietnam.

"Almost every economist in the world would say this [Philippine] proposal is a very good thing," Tom Gottschang, a visiting professor at the National Economics University in Hanoi, said. "But even the most enlightened countries have very strong constituencies that will fight to the death to maintain tariffs as long as possible.

"Members of Asean are all in the position of having sectors they would like to protect for a while. They will be under enormous pressure once the World Trade Organisation (WTO) comes on line to reduce tariff barriers. And since the WTO is not too far down the road, most people will be looking more at that.

"Even if [political] leaders were in favour they would have a hard time selling it to their business leaders."

Other economists suggested that while Vietnamese and other Asean leaders were unlikely to reject the proposal outright for political reasons, many of them would have concerns. Vietnam, for example, is worried about the effect on its budget deficit of a huge influx of imports and also relies heavily on customs duties as a source of revenue.

"It would be hard for Vietnam to accept the widening of the AFTA net because even the plan to cut taxes to between zero and five per cent before 2003 is difficult for Vietnam," said an economist from the Hanoi-based Institute of World Economy.

SRV: Army Paper Quotes French Book on Spratlys, Paracels

BK2605120596 Hanoi VNA in English
0620 GMT 26 May 96

[FBIS Transcribed Text] Hanoi VNA May 25 — Vietnam is the sole country that has clear legal basis to claim its sovereignty over Paracel (Hoang Sa) and Spratly (Truong Sa) islands in the East Sea, said Ms Monique Cheminer Jeanpeau, professor of public law and politics from Paris University.

She was speaking in a recent interview with the International Radio of France (RFI), which was quoted by the army paper QUAN DOI NHAN DAN today.

Ms Jeanpeau, whose book "Sovereignty Over Spratlys and Paracels" has just been published by the L'Harmattan Paris Publishing House, had studied historical evidence relating to the territorial sovereignty over these two groups of islands, documents presented by different claimants to the islands, and files from the French archives.

"In my study, I have not found any age-old historical evidence of China over the Paracels as well as the Spratlys," Ms Jeanpeau said.

"Whereas historical books in the Nguyen dynasty in the 17th century say that Vietnam established its national marine companies to exploit natural resources on those archipelagoes." Therefore, it can be said that "there have been clear, time-honoured evidence and relics proving Vietnam's sovereignty over Hoang Sa and Truong Sa...," she stressed.

SRV: Vice President Receives French Minister Vasseur

BK2605120796 Hanoi VNA in English
0638 GMT 26 May 96

[FBIS Transcribed Text] Hanoi VNA May 25 — Vice President Nguyen Thi Binh received French Minister of Agriculture, Fishery, and Food Philippe Vasseur who is here for a working visit. Minister Vasseur is accompanied by more than 30 French businessmen from various economic branches.

The visit is made under the framework of long-term bilateral cooperation in the fields of science, technology, industry, and trade between the two countries.

Vice President Nguyen Thi Binh expressed her belief that the cooperative ties would be gradually consolidated and developed. "Based on the recent fruitful development of investment and food trading, Vietnam wishes that France would continue its cooperation and assistance in technology and finance, especially in the fields of technology and training of high-level experts", she said.

Mr Vasseur noted that his current visit was an opportunity for the two countries' businessmen to seek possibilities for development of agricultural cooperation.

During the visit, the French delegation is expected to hold talks with Vietnamese officials on issues of common concern, chiefly ones relating to financial assistance to economic projects, protection of intellectual property rights, and prevention against false products in the area of agriculture and food industry.

SRV: Rural Development Accord Signed With France

BK2705083396 Hanoi VNA in English
0743 GMT 27 May 96

[FBIS Transcribed Text] Hanoi VNA May 27—A memorandum of understanding on Vietnam-France cooperation in rural development and agriculture was signed here yesterday by Vietnamese Minister of Agriculture and Rural Development Nguyen Cong Tan and French Minister of Agriculture, Fisheries, and Food Philippe Vasseur, who is on a visit to Vietnam from May 24-28.

The French delegation held talks with a Vietnamese agriculture delegation on issues of common concern, particularly on financial assistance to economic projects, protection of intellectual property rights and prevention of production of fake goods in the area of agriculture and food industry. The two sides also agreed on supporting projects for the modernisation and development of agriculture and industry with priority given to projects in breeding, food processing, growing, packaging, and farm product processing in coordination with consultancy tasks and provision of materials to serve farmers' demand.

The delegation has toured economic and cultural establishments in northern and southern provinces and Vietnamese-French joint ventures.

SRV: French Minister Vasseur Concludes Visit

BK2805125496 Hanoi Voice of Vietnam in English 1000 GMT 28 May 96

[FBIS Transcribed Text] A memorandum of understanding on assisting development projects and modernizing agro-industry in Vietnam was signed in Hanoi on Sunday [26 May] by the French Minister of Agriculture, Fishery and Food Philippe Vasseur and his Vietnamese counterpart Nguyen Cong Tan.

Talks were also held between Vietnam and France on economic development projects, intellectual property rights, and committees' representation of agricultural and industrial food products.

The French visiting delegation was received by Vice President Nguyen Thi Binh and Deputy Prime Minister Phan Van Khai.

The delegation concluded its visit to Vietnam on Tuesday.

SRV: Committee Meets on Building of My Thuan Bridge

BK2405102796 Hanoi VNA in English 0807 GMT 24 May 96

[FBIS Transcribed Text] Hanoi VNA May 24 — The eighth meeting of the Vietnam-Australia joint steering committee on the My Thuan Bridge project in the Cuu Long (Mekong River) delta was held in Ho Chi Minh City on Wednesday [22 May] to discuss the third phase of the bridge's technical design.

The bridge, which will span the Tien River, a tributary of the Cuu Long, will boost economic development of the country's major rice growing area.

It will replace a ferry service which every day carries more than 200,000 people, 4,000 tonnes of freight and 5,000 passenger vehicles.

Prominent among those present at the meeting were Vietnam's Deputy Minister of Transport and Communication Le Ngoc Hoan and Australia's co-chairman of the joint steering committee.

Vietnamese experts and their Australian counterparts reviewed the work done in the last six months.

They analysed problems relating to the project, and examined preliminary reports on the technical design and the implementation of the construction contract and other related issues.

The meeting, held six months after the seventh session in Canberra, addressed the filing of bidding documents for the bridge project, and settled preparatory work for construction of the My Thuan Bridge.

Survey results and proposals from consulting offices contributed considerably to the meeting, especially initiatives to reduce construction costs and enable the project to be completed on schedule. The Vietnamese partner also made preparations for the next phase of the project, which will involve compensation costs for ground clearance, organisation of the work site and construction of the road.

According to VIETNAM NEWS, Maunsell International Consultants, specialist consulting engineers, have won a major contract to design the bridge which will be the largest-ever infrastructure project undertaken by an australian aid programme anywhere in the world.

Government officials from Australia and Vietnam's minister of transport and communications, Bui Danh Luu, signed a memorandum of understanding in Australia in November last year, agreeing to build the bridge following a feasibility study which covered technical, economic, environmental, social and legal issues.

The overall length of the bridge will be around 1,360 metres including approaches, with the actual bridge spanning 640 metres.

It will cost about usd 64 million of which Australia will donate around USD 35 million, Vietnam will contribute the balance, mostly in the form of locally-sourced materials and labour.

A second tender to build the bridge will be offered at the end of this year.

SRV: South Korean Firm Obtains License for Cable System

BK2805152296 Hanoi VNA in English 1458 GMT 28 May 96

[FBIS Transcribed Text] Hanoi VNA May 28 — The Ministry of Planning and Investment this morning granted a licence for a business cooperation contract between the Vietnam Post and Telecommunication Corporation (VPTC) and the Telecomunication Company of the Republic of Korea (ROK).

Present at the licence granting ceremony were representatives of the Ministry of Planning and Investment, the Finance Ministry, the Government Office, chairmen of the people's committees of Hai Phong City, Hai Hung and Quang Ninh provinces, the ROK embassy counsellor, president of the ROK Telecommunication Company and Korean experts.

The licence is the first granted by the Vietnamese Government for business cooperation between Vietnamese and South Korean partners in this field. The Korean side will invest USD 40 million to develop the local cable system in Hai Phong, Hai Hung and Quang Ninh, and help the VPTC in technology and personnel training.

The contract has a maturity of 10 years.

SRV: Foreign Investment Department To Review All Projects

BK2805091696 Hanoi VNA in English 0540 GMT 28 May 96

[FBIS Transcribed Text] Hanoi VNA May 27—All applications for foreign invested projects in Vietnam and Vietnamese invested projects in other countries will be submitted to the Foreign Investment Department, a unit under the Ministry of Planning and Investment (MPI) able to grant licences to projects.

As a result of a decision signed by Minister Do Quoc Sam to rearrange the MPI's organizational apparatus to create a better environment for investors, the decision clearly defines the functions and competence of a number of departments engaged in investment work.

The Foreign Investment Department has functions ranging from receiving project documentation for investment licences, participating in investment project evaluation, co-ordinating with the investment project evaluation board and other units under the MPI to work with investors on requests for supplements, amendments and replies to investors' proposals on relevant issues, to completing the preparation of licences and signing procedures and handling investment licences.

The main function of the Investment Project Evaluation Board will be to appraise local and foreign invested projects, industrial zone plans, and sector and area plans under government regulations on authority delegation.

The evaluation board is also responsible for working out regulations relating to appraisal work, proposals on preferential treatment of local investment, and participating in monitoring the implementation of important projects.

The Department for Management of Industrial Zones (IZ) and Export Processing Zones (EPZ) will be a node for solving emerging problems under the jurisdiction of the MPI in managing projects on infrastructural construction in IZS and EPZS, construction companies, adjustment of investment licences, and co-ordinating with localities and IZ, EPZ management boards and other state management agencies for IZ and EPZ management.

The Foreign Investment Project Management Department has the function of monitoring and managing for the state foreign invested projects after licensing, while the Foreign Investment Law Department is responsible for law and foreign investment promotion. In addition, the department will also carry out the state management function of foreign investment consultancy service activities.

SRV: Party Secretariat Encourages Cooperative Economy

BK2705083796 Hanoi VNA in English 0750 GMT 27 May 96

[FBIS Transcribed Text] Hanoi VNA May 27—The Secretariat of the party Central Committee issued an instruction on May 24 to spur the renewal and development of the cooperative economy in all branches and sectors. This was made in pursuant to the party Political Bureau's February 2, 1996 resolution in this regard and the Law on Cooperatives adopted by the National Assembly in March 1996.

The instruction underlines the cooperative economy as an "objective demand and indispensable tendency" in the process of developing the multi-sectoral socialist-oriented commodity economy. Small-scale cooperatives in business, in general, and the organization of cooperatives, in particular, in Vietnam should be developed along the socialist orientation for not only economic, but also social purposes, the instruction stresses.

"The party stands for the development of a multi-sectoral commodity economy of which the cooperative economy is an important part, together with the state-owned economy, gradually becoming a basis of the economy and also a socio-political foundation of the country on the way to achieving the goal of a prosperous people, a strong country and an equitable and civilized society," it says.

The party Secretariat has also urged the party organisations at all levels to encourage the development of the cooperative economy and cooperatives in various forms. "The cooperative economy in Vietnam must be developed vigorously from low to high levels, in different form and scope. There can be cooperation in one or two aspects of business, set up in a simple, temporary or 'loose' way (without business registration), or cooperatives formed as an organized business (with registration and legal status). There can also be cooperatives operating on a small scale in a certain region or in a unlimited area with different scopes of operation," the instruction says.

In agriculture, the instruction stresses renovating previously set up agricultural cooperatives in line with the development of the cooperative economy in the form of the household economy following the principle that they will be established voluntarily by farmers, with respect to the diversity of organizational forms and operational contents and without any imposition of a uniform model by the state. The renovation and development of the cooperative economy under the instruction will also be extended to other economic sectors such as forestry, fisheries, industry, small industry and handicrafts, construction, transport, trade and services as well as credit cooperatives.

In regard to the state's role, the instruction says: "the state protects the legal interests of all cooperatives and ensures their equality in production and business. The state respects the autonomy and self liability of all cooperatives in production and business without any intervention in their production and business operations." Production cooperatives are permitted to be involved in direct imports and exports if they are eligible as defined by the government, it further says.

In order to ensure state management towards the cooperative economy, it stresses: "the government addresses a unified state management towards all cooperatives on the national scale, including: building the implementation of a strategy and plan for the development of cooperatives pursuant to the law on cooperatives. It will issue preferential policies to support cooperatives in the areas of land, taxation, credit, investment, import-export, personnel training, scientific and technical application, etc."

There are currently about 25,000 cooperatives in all areas of business operating in Vietnam.

Australia

Australia: Thai 'Gangsters' Take Out Contract on Ex-Foreign Minister

BK2505133496 Sydney THE SYDNEY MORNING HERALD in English 25 May 96

[Report by Foreign Affairs Correspondent David Lague]

[FBIS Transcribed Text] Gangsters linked to the Thai military have taken out a contract on the life of the former Minister for Foreign Affairs, Mr Gareth Evans.

The move is over his criticism in 1994 that "freelance military personnel and business spies" in Thailand were assisting Cambodia's Khmer Rouge guerillas.

Security service sources have confirmed that the contract is the reason for the round-the-clock Australian Federal Police (AFP) protection for Mr Evans.

It is understood that the contract has been transferred to Australia and a payment made for Mr Evans to be killed.

AFP agents have been protecting Mr Evans since he made the criticism after becoming frustrated that elements in the Thai military were providing refuge for Khmer Rouge leaders and forming a conduit for the guerillas' trade in timber and gems from Cambodia.

His remarks followed the Khmer Rouge murders of the Australians Kellie Wilkinson and David Wilson in 1994 and led to a diplomatic clash between Canberra and Bangkok.

Security sources have told the Herald that AFP agents have escorted Mr Evans, and at times lived in his home, to protect him from a threat that the Australian Security Intelligence Organisation is taking very seriously.

He is the only Opposition politician under police protection but police and political sources have refused to reveal exactly who made the threat.

A spokeswoman for Mr Evans, now shadow Treasurer, has refused to comment on the threat to the politician who for eight years was the champion of an assertive Australian foreign policy.

It is understood that the AFP protection is reviewed every three months and is budgeted to continue for some time.

The threat to Mr Evans was revealed earlier this month when the shadow Attorney-General, Senator Nick Bolkus, distributed a leaked Cabinet submission calling for $17 million so the AFP could boost security for senior ministers.

The submission from the Attorney-General, Mr Williams, said extra security was now needed for the Minister for Foreign Affairs and the Deputy Prime Minister.

"The office of Minister for Foreign Affairs has, over recent years, taken on a higher domestic and international profile as Australia assumes a more prominent role in international affairs and, in particular, in those impacting on our region," it said.

"This higher profile has drawn specific threats to the physical well-being of the office-holder."

It is understood that the AFP has advised Mr Evans and his staff not to discuss the threat.

Australia: Brereton Says Measures Taken To Guarantee Evans' Security

BK2605132796 Melbourne Radio Australia in English 0500 GMT 26 May 96

[FBIS Transcribed Text] The Australian opposition foreign affairs spokesman, Laurie Brereton, says all steps have been taken to guarantee the security of his party's [Australian Labor Party] deputy leader, Gareth Evans. There are reports that gangsters connected with the Thai Military have taken out a contract on Mr. Evans' life. A spokesperson for Mr. Evans declined to be drawn on the reasons behind why he'd been threatened. However, Mr. Brereton says that security officers have classified Mr. Evans as at risk.

[Begin Brereton recording] Highly regrettable and but, from time to time, death threats do come the way of politicians. It's important that we have a good security system — one that can provide protection and the AFP [Australian Federal Police] have certainly been doing that for Gareth. [end recording]

New Zealand

New Zealand: Thai 'Gangsters' Said To Have Contract on Australia's Evans

BK2605132596 Christchurch THE PRESS in English 25 May 96

[Report by Foreign Affairs Correspondent David Lague — received via Internet]

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